

2019 Tax facts sheet

TAX AND RETIREMENT PLANNING

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, he or she is 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 his or her 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 his or her spouse turns 71 (tax deductible to contributing spouse), provided the contributor has available RRSP room.

TFSA CONTRIBUTION LIMITS

- Individuals must be the age of majority in their province of residence to open a TFSA. The age of majority is 18 in all provinces except BC, NB, NFL, YU, NWT, NU and NS, where the age of majority is 19.¹
- If you have never contributed to a TFSA and were at least 18 years of age in 2009 and have been a Canadian resident since then, your 2019 contribution limit will be \$63,500.

IMPORTANT DATES FOR 2018 TAX YEAR

Individual tax filing deadline	April 30, 2019
Self-employed business tax filing deadline	June 15, 2019

IMPORTANT DATES FOR 2019 TAX YEAR

Personal tax installments – business day deadline	June 15, 2019, September 15, 2019, December 15, 2019
RESP contribution deadline	December 31, 2019
Last trade date for Canadian stocks and mutual funds ³	December 27, 2019
Last trade date for U.S. stocks ³	December 27, 2019
Family loan interest deadline for 2019 interest payments	January 30, 2020
RRSP contribution deadline for 2019 tax filing year	February 29, 2020

WITHHOLDING TAX RATES FOR RRSP AND RRIF		
Amount	Quebec	All other provinces
Up to \$5,000	20%	10%
\$5,001–\$15,000	25%	20%
Over \$15,000	30%	30%

RRSP AND TFSA CONTRIBUTION LIMITS	
RRSP contribution limit	2019 – \$26,500
■ 18% of previous year's earned income to a maximum of:	2020 – \$27,230
TFSA contribution limit	2019 – \$6,000
RRSP – maximum annual deduction limit	\$26,500 for 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%

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
	Maximum OAS benefit for QI at age 65 \$601.45 Deferred OAS maximum benefit for QI at age 70 \$817.97

INDIVIDUAL PENSION PLAN (IPP)
T4 earnings required to contribute the maximum to an IPP for the year: \$151,278 for 2019

FEDERAL MAX AMOUNTS	
Tax credit	Dollar value
Basic personal amount	\$12,069
Spouse/partner ⁴	\$12,069
Age 65 ⁴	\$7,494
Disability	
■ Basic	\$8,416
■ Under-18 supplement ⁴	\$4,909
Canada caregiver amount for other infirm dependent age 18 and older (maximum per dependent) ⁴	\$7,140
Canada caregiver amount for infirm children under age 18	\$2,230

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 ²	29% or 33%
Dividend tax credit (on grossed-up amount)	Eligible	15.02%
	Non-eligible	9.03%

Up to 75% of a taxpayer's net income can be claimed as donations, except in the year of death or the year preceding death, when 100% of net income can be claimed as donations. The donation limit can also be increased when capital property is donated. A donation must be received by the charity by December 31 in order to receive a charitable donation receipt for that taxation year.

- Individuals accumulate TFSA contribution room for that year and it carries over to the following year.
- As part of recent 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 new 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 previous year to 2016 or thereafter.
- These are the last trade dates for settlements within 2019.
- Subject to certain limitations.

GOVERNMENT CONTACT INFORMATION

Canada Revenue Agency
<http://www.cra-arc.gc.ca>

Canada Revenue Agency
 1 800 959-8281

Phone number and website
 for CPP and OAS queries

1 800 277-9914
<https://www.canada.ca/en/employment-social-development/corporate/contact/index.html>

Phone number and website
 for QPP queries

1 800 463-5185
http://www.rrq.gouv.qc.ca/en/services/nous_joindre/Pages/nous_joindre.aspx



2019 TOP MARGINAL PERSONAL TAX RATES
(Combined federal and provincial tax rates)

Amount	Interest/ foreign dividends	Capital gains	Eligible dividends	Non- eligible dividends
Alberta	48.00%	24.00%	31.71%	42.47%
British Columbia	49.80%	24.90%	31.44%	44.64%
Manitoba	50.40%	25.20%	37.78%	46.67%
New Brunswick	53.30%	26.65%	33.51%	47.75%
Newfoundland and 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%	48.27%
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%	45.23%
Quebec	53.31%	26.65%	40.00%	46.25%
Saskatchewan	47.50%	23.75%	29.64%	40.37%
Yukon	48.00%	24.00%	28.92%	42.17%

TAX

El – Maximum annual premium	\$860.22 (\$663.75 in Quebec due to separate maternity and parental benefits)	
El – Maximum annual insurable earnings	\$53,100	
Federal basic personal amount	\$12,069 (base) \$1,810 (credit)	
Federal age amount	\$7,494 (base) \$1,124 (credit)	
Net income threshold for age amount	\$0.15 for every dollar of net income above \$37,790; the full age amount is eliminated at a net income of \$87,750	
Federal tax brackets and rates based on taxable income	Taxable income	Federal rate
	Up to \$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%	
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138%; federal tax credit is 15.0198% of taxable dividend	
Non-eligible dividends	Gross up is 15% taxable amount is 115%; federal tax credit is 9.0301% of taxable dividend	
Lifetime Capital Gains Exemption (LCGE) for qualified small business corporation shares	\$866,912 for 2019	
LCGE for qualified farm or fishing property	\$1,000,000 for 2019	

CANADA PENSION PLAN AND QUEBEC PENSION PLAN

Type of benefit	CPP monthly maximum amount, 2019.	QPP monthly maximum amount, 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
Early CPP/QPP maximum benefit at age 60	\$738.93	\$738.93
Deferred CPP/QPP maximum benefit at age 70	\$1,639.50	\$1,639.50
Maximum CPP/QPP contributions: employer and employee	\$2,748.90 annually	\$2,991.45 annually
Maximum CPP/QPP contributions: self-employed	\$5,497.80	\$5,982.90
YMPE - Yearly maximum pensionable earnings	\$57,400	\$57,400
Disability	\$1362.30	\$1362.27
Survivor – Younger than 65	\$626.63	(see Note 1)
Survivor – 65 and older	\$692.75	\$692.75
Death (maximum one-time payment)	\$2,500.00	\$2,500.00
Combined benefits		
Survivor/retirement (retirement at 65)	\$1154.58	\$1154.58
Survivor/disability	\$1362.30	Not applicable
Note 1: QPP Survivor Benefit – Younger than 45		
Not disabled, no child		\$560.09
Not disabled, with child		\$893.82
Disabled		\$929.30
QPP survivors – Age 45 to 64		\$929.30

2019 CANADIAN CONTROLLED PRIVATE CORPORATIONS (CCPC) RATES⁵
(Combined federal and provincial/territorial tax rates effective January 1, 2019)

Jurisdiction	Active business income to \$500,000 ¹	Greater than \$500,000 ¹	Investment income
Federal	9.0%	15.0%	38.7%
Alberta	11.0%	27.0%	50.7%
British Columbia	11.0%	27.0%	50.7%
Manitoba	9.0%	27.0%	50.7%
New Brunswick ²	11.5%	29.0%	52.7%
Newfoundland and Labrador	12.0%	30.0%	53.7%
NWT	13.0%	26.5%	50.2%
Nova Scotia	12.0%	31.0%	54.7%
Nunavut	13.0%	27.0%	50.7%
Ontario	12.5%	26.5%	50.2%
Prince Edward Island	13.5%	31.0%	54.7%
Quebec ³	15.0%	26.6%	50.3%
Saskatchewan ⁴	11.0%	17.0/27.0%	50.7%
Yukon	11.0%	27.0%	50.7%

2019 T-1135 GUIDELINES

- Canadian resident individuals, corporations and trusts that, at any time during the year, own specified foreign property costing more than \$100,000 (based on the adjusted cost basis, not fair market value)
- Certain partnerships that hold more than \$100,000 of specified foreign property
- An individual does not have to file a T1135 for the first year he or she is a resident of Canada

⁵ ¹The 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 \$10 million (and is completely eliminated when the associated group's taxable capital exceeds \$15 million). Similarly, the provinces and territories offer reduced rates, generally up to the first \$500,000 of active business income. ² New Brunswick decreased the province's small business income tax rate to 2.5% effective April 1, 2018. ³ Quebec's small business deduction is generally available to corporations only if their employees were paid for at least 5,500 hours in the taxation year (proportionally reduced for short taxation years) or if their employees and those of their associated corporations were paid for at least 5,500 hours in the previous taxation year, to a maximum of 40 hours a week per employee (excluding the hours paid to a subcontractor). The small business deduction is reduced linearly between 5,500 and 5,000 hours, and falls to zero at 5,000 hours. Small and medium-sized businesses (SMBs) in the primary (i.e., agriculture, forestry and fishing) and manufacturing sectors in Quebec may be able to claim an additional 2% deduction for the period between January 1, 2019 and December 31, 2019, and 1% for the period between January 1, 2020 and December 31, 2020 if the proportion of primary and manufacturing sector activities of the corporation for the taxation year is 50% or more, regardless of the number of the hours paid. The additional deduction is available at a lower rate if the proportion of such activities for a particular taxation year is between 25% and 50%. This additional deduction for SMBs in the primary and manufacturing sectors will be eliminated as of January 1, 2021. In the event the number of hours paid exceeds 5,500 hours and the proportion of activities is between 25% and 50%, the corporation in the primary and manufacturing sector will be eligible for the regular small business deduction and a proportion of the additional deduction. ⁴ Saskatchewan increased the province's general corporate income tax rate to 12% (from 11.5%) effective January 1, 2018. In addition, Saskatchewan increased the province's small business income threshold to \$600,000 effective January 1, 2018, such that Saskatchewan's combined tax rate on active business income between \$500,000 and \$600,000 is 17% (i.e., 15% federally and 2% provincially).

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