

### 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 2021 withdrawal, the contributor declares income if contributions were made to any spousal RRSP in 2019, 2020, 2021.
- 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.<sup>1</sup>
- 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 2021 contribution limit will be \$75,500.

IMPORTANT DATES FOR 2020 TAX YEAR	
Individual tax filing deadline	<b>April 30, 2021</b>
Self-employed business tax filing deadline	<b>June 15, 2021</b>

IMPORTANT DATES FOR 2021 TAX YEAR	
Personal tax installments – business day deadline	<b>March 15, 2021</b> <b>June 15, 2021,</b> <b>September 15, 2021,</b> <b>December 15, 2021</b>
RESP contribution deadline	<b>December 31, 2021</b>
Last trade date for Canadian mutual funds and exchange traded funds (ETFs) <sup>2</sup>	<b>December 29, 2021</b>
Last trade date for U.S. stocks <sup>2</sup>	<b>December 29, 2021</b>
Family loan interest deadline for 2021 interest payments	<b>January 30, 2022</b>
RRSP contribution deadline	<b>March 1, 2022</b>

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

RRSP AND TFSA CONTRIBUTION LIMITS	
RRSP contribution limit	<b>2021 – \$27,830</b>
• 18% of previous year's earned income to a maximum of:	<b>2022 – \$29,210</b>
TFSA contribution limit	<b>2021 – \$6,000</b>
RRSP – maximum annual deduction limit	<b>\$27,830 for 2021</b>

IMPORTANT RESP LIMITS	
Lifetime contribution limit per beneficiary	<b>\$50,000</b>
Maximum total CESG limit per beneficiary	<b>\$7,200</b>
Basic CESG rate on the first \$2,500 of annual contributions	<b>20%</b>
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:	
• \$49,020 or less	<b>20%</b>
• between \$49,020 and \$98,040	<b>10%</b>

TYPE OF BENEFITS	CLAWBACK/CUT-OFF
OAS	Clawback when net income is between <b>\$79,845 to \$129,075</b>
	OAS clawback is equal to 15% of the amount by which your net income (including OAS) exceeds <b>\$79,845</b>
	Full repayment of OAS when net income is above <b>\$129,075</b>
	Maximum OAS benefit for QI at age 65 <b>\$615.37</b>
	Deferred OAS maximum benefit for QI at age 70 <b>\$836.90</b>

INDIVIDUAL PENSION PLAN (IPP)
T4 earnings required to contribute the maximum to an IPP for the year: <b>\$162,278 for 2021</b>

FEDERAL MAX AMOUNTS		
	Tax credit	Dollar value
Basic personal amount <sup>4</sup> :	• net income up to \$151,978	<b>\$13,808</b>
	• net income greater than \$216,511	<b>\$12,421</b>
Spouse/partner <sup>4</sup> :	• net income up to \$151,978	<b>\$13,808</b>
	• net income greater than \$216,511	<b>\$12,421</b>
Age 65 <sup>5</sup>		<b>\$7,713</b>
Disability	• Basic	<b>\$8,662</b>
	• Under-18 supplement <sup>5</sup>	<b>\$5,053</b>
Canada caregiver amount for other infirm dependent age 18 and older (maximum per dependent) <sup>5</sup>		<b>\$7,348</b>
Canada caregiver amount for infirm children under age 18		<b>\$2,295</b>

2021 KEY NON-REFUNDABLE FEDERAL TAX CREDITS		
Personal tax credits as percentage of base amounts		
Tax credit	Percentage value	
Charitable donations	First \$200	<b>15%</b>
	Amount over \$200 <sup>3</sup>	<b>29% or 33%</b>
Dividend tax credit (on grossed-up amount)	Eligible	<b>15.02%</b>
	Non-eligible	<b>9.03%</b>

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.

1 Individuals accumulate TFSA contribution room for that year and it carries over to the following year.

2 These are the last trade dates for settlements within 2021.

3 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 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.

4 Per December 2019 government proposal, in 2021, the maximum BPA is increased from \$13,229 to \$13,808 for individuals with a net income of \$151,978 or less. The increase is gradually reduced for individuals with net income between \$151,978 and \$216,511. If your net income is above \$216,511, the change does not apply to you. Your BPA will be \$13,229. Similar increases are proposed for the maximum spouse or common-law partner amount and the maximum amount for an eligible dependent.

5 Subject to certain limitations.

### GOVERNMENT CONTACT INFORMATION

Canada Revenue Agency  
1 800 959-8281  
<http://www.cra-arc.gc.ca>

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](http://www.rrq.gouv.qc.ca/en/services/nous_joindre/Pages/nous_joindre.aspx)

## 2021 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%	34.31%	42.30%
British Columbia	53.50%	26.75%	36.54%	48.90%
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%	47.74%
PEI	51.37%	25.69%	34.22%	46.21%
Quebec	53.31%	26.65%	40.11%	48.02%
Saskatchewan	47.50%	23.75%	29.64%	40.37%
Yukon	48.00%	24.00%	28.93%	44.04%

## TAX

El – Maximum annual premium	<b>\$889.54</b> (\$664.34 in Quebec due to separate maternity and parental benefits)		
El – Maximum annual insurable earnings	<b>\$56,300</b>		
Federal basic personal amount	<ul style="list-style-type: none"> <li>net income up to \$151,978</li> <li>net income greater than \$216,511</li> </ul>	<b>\$13,808</b> (base)	<b>\$2,071</b> (credit)
Federal age amount		<b>\$7,713</b> (base)	<b>\$1,156.95</b> (credit)
Net income threshold for age amount	\$0.15 for every dollar of net income above \$38,893; the full age amount is eliminated at a net income of \$90,313		
Federal tax brackets and rates based on taxable income	<b>Taxable income</b>	<b>Federal rate</b>	
	Up to \$49,020	<b>15%</b>	
	Over \$49,020 up to \$98,040	<b>20.5%</b>	
	Over \$98,040 up to \$151,978	<b>26%</b>	
	Over \$151,978 up to \$216,511	<b>29%</b>	
Over \$216,511	<b>33%</b>		
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	<b>\$892,218</b> for 2021		
LCGE for qualified farm or fishing property	<b>\$1,000,000</b> for 2021		

## CANADA PENSION PLAN AND QUEBEC PENSION PLAN

Type of benefit	CPP monthly maximum amount, 2021.	QPP monthly maximum amount, 2021.
Retirement (at age 65)	<b>\$1,203.75</b>	<b>\$1,208.26</b>
Post-retirement benefit (CPP) (at age 65)	<b>\$30.09</b>	n/a
Retirement pension supplement (QPP)	n/a	<b>\$23.00</b>
Early CPP/QPP maximum benefit at age 60	<b>\$770.40</b>	<b>\$773.29</b>
Deferred CPP/QPP maximum benefit at age 70	<b>\$1,715.73</b>	<b>\$1,715.73</b>
Maximum CPP/QPP contributions: employer and employee	<b>\$3,166.45</b> annually	<b>\$3,137.40</b> annually
Maximum CPP/QPP contributions: self-employed	<b>\$6,332.90</b>	<b>\$6,274.80</b>
YMPE – Yearly maximum pensionable earnings	<b>\$61,600.00</b>	<b>\$61,600.00</b>
Disability	<b>\$1,413.66</b>	<b>\$1,413.63</b>
Survivor – Younger than 65	<b>\$650.72</b>	(see Note 1)
Survivor – 65 and older	<b>\$722.25</b>	<b>\$712.55</b>
Death (maximum one-time payment)	<b>\$2,500.00</b>	<b>\$2,500.00</b>
<b>Combined benefits</b>		
Survivor/retirement (retirement at 65)	<b>\$1,203.75</b>	<b>\$1,203.75</b>
Survivor/disability	<b>\$1,413.66</b>	<b>Not applicable</b>

<b>Note 1: QPP Survivor Benefit – Younger than 45</b>		
Not disabled, no child	<b>\$570.74</b>	
Not disabled, with child	<b>\$910.81</b>	
Disabled	<b>\$946.96</b>	
QPP survivors – Age 45 to 64	<b>\$946.96</b>	

- 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 \$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.
- Effective 1 April 2020, Nova Scotia's general corporate tax rate will decrease to 14.00% from 16.00%. The small business rate will be reduced from 3.00% to 2.50%, also effective 1 April 2020. The proposal received royal assent on March 10, 2020.
- 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. 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.
- 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).
- The Yukon M&P rate is less than the small-business rate. 10.50% applies to M&P income eligible for the SBD, while 11% is for non-M&P income.

## 2021 CANADIAN CONTROLLED PRIVATE CORPORATIONS (CCPC) RATES (Combined federal and provincial/territorial tax rates effective January 1, 2021)

Jurisdiction	Active business income		Investment income
	Active business income to \$500,000 <sup>6</sup>	Greater than \$500,000 <sup>6</sup>	
Federal	9.0%	15.0%	38.7%
Alberta	11.0%	23.0%	46.7%
British Columbia	11.0%	27.0%	50.7%
Manitoba	9.0%	27.0%	50.7%
New Brunswick	11.5%	29.0%	52.7%
Newfoundland and Labrador	12.0%	30.0%	53.7%
NWT	13.0%	26.5%	50.2%
Nova Scotia <sup>7</sup>	11.5%	29.0%	52.7%
Nunavut	12.0%	27.0%	50.7%
Ontario	12.2%	26.5%	50.2%
Prince Edward Island	11.0%	31.0%	54.7%
Quebec <sup>8</sup>	13.0%	26.5%	50.2%
Saskatchewan <sup>9</sup>	9.0%	27.0%	50.7%
Yukon <sup>10</sup>	9.0%	27.0%	50.7%

## 2021 T1135 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

## Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs.

Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated. Fidelity Investments Canada ULC provides this information for general knowledge only and should not be interpreted as tax advice or recommendations. Every individual's situation is unique and should be reviewed by his or her own personal legal and tax consultants. The information contained in this publication is based on material believed to be reliable at the time of publication, but Fidelity Investments Canada ULC cannot guarantee the information is accurate or complete. Individuals should contact their financial representative for professional advice regarding their personal circumstances and/or financial position. The comments included in this publication are not intended to be a definitive analysis of tax applicability or trust and estates law. The comments are general in nature, and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.

