



2018 TAX PLANNING

Quick Reference Guide

Provincial/Territorial Income Tax Rates*

(current to Jan. 2018)

Province/Territory	Income Range	Rate
British Columbia	First \$39,676	5.06%
	\$39,677 – \$79,353	7.70%
	\$79,354 – \$91,107	10.50%
	\$91,108 – \$110,630	12.29%
	\$110,631 – \$150,000	14.70%
Alberta	First \$128,145	10.00%
	\$128,146 – \$153,773	12.00%
	\$153,774 – \$205,031	13.00%
	\$205,032 – \$307,547	14.00%
	\$307,548 and over	15.00%
Saskatchewan	First \$45,225	10.50%
	\$45,226 – \$129,214	12.50%
	\$129,215 and over	14.50%
Manitoba	First \$31,843	10.80%
	\$31,844 – \$68,821	12.75%
	\$68,822 and over	17.40%
Ontario	First \$42,960	5.05%
	\$42,961 – \$85,923	9.15%
	\$85,924 – \$150,000	11.16%
	\$150,001 – 220,000	12.16%
	\$220,001 and over	13.16%
Quebec	First \$43,055	15.00%
	\$43,056 – \$86,105	20.00%
	\$86,106 – \$104,765	24.00%
	\$104,766 and over	25.75%
New Brunswick	First \$41,675	9.68%
	\$41,676 – \$83,351	14.82%
	\$83,352 – \$135,510	16.52%
	\$135,511 – \$154,382	17.84%
	\$154,383 and over	20.30%
Nova Scotia	First \$29,590	8.79%
	\$29,591 – \$59,180	14.95%
	\$59,181 – \$93,000	16.67%
	\$93,001 – \$150,000	17.50%
	\$150,001 and over	21.00%
Prince Edward Island	First \$31,984	9.80%
	\$31,985 – \$63,969	13.80%
	\$63,970 and over	16.70%
Newfoundland & Labrador	First \$36,926	8.70%
	\$36,927 – \$73,852	14.50%
	\$73,853 – \$131,850	15.80%
	\$131,851 – \$184,590	17.30%
Yukon	First \$46,605	6.40%
	\$46,606 – \$93,208	9.00%
	\$93,209 – \$144,489	10.90%
	\$144,490 – \$500,000	12.80%
	\$500,001 and over	15.00%
Northwest Territories	First \$42,209	5.90%
	\$42,210 – \$84,420	8.60%
	\$84,421 – \$137,247	12.20%
	\$137,248 and over	14.05%
Nunavut	First \$44,437	4.00%
	\$44,438 – \$88,873	7.00%
	\$88,874 – \$144,488	9.00%
	\$144,489 and over	11.50%

*The table includes and assumes all proposed rates from 2018 provincial budgets, where applicable, have been passed.

2018 Top Marginal Tax Rates (Federal and Provincial Rates Combined)*

Province/Territory	Interest/Foreign Dividends	Capital Gains**	Eligible Dividends	Non-Eligible Dividends
British Columbia	49.80%	24.90%	34.20%	43.73%
Alberta	48.00%	24.00%	31.71%	41.64%
Saskatchewan	47.50%	23.75%	29.64%	39.76%
Manitoba	50.40%	25.20%	37.78%	45.92%
Ontario	53.53%	26.77%	39.34%	46.84%
Quebec	53.30%	26.65%	39.83%	43.94%
New Brunswick	53.30%	26.65%	33.51%	46.88%
PEI	51.37%	25.69%	34.22%	44.25%
Nova Scotia	54.00%	27.00%	41.58%	47.34%
Newfoundland/Labrador	51.30%	25.65%	42.61%	43.81%
Yukon	48.00%	24.00%	28.93%	41.42%
NWT	47.05%	23.53%	28.33%	35.98%
Nunavut	44.50%	22.25%	33.08%	36.78%

*Rates include federal and provincial combined marginal tax rates, including provincial surtaxes.

**The capital gains rate for qualifying securities donated to registered charities in-kind is 0%.

RRSP/TFSA Contribution Limits

18% of previous year's earned income to a maximum of:	2018 – \$26,230 2019 – \$26,500
TFSA Contribution Limit	2018 – \$5,500

Withholding Tax Rates for RRSP/RRIF Withdrawals

	Quebec	All Other Provinces
Up to \$5,000	21%	10%
\$5,001 – \$15,000	26%	20%
Over \$15,001	31%	30%

2018 Federal Income Tax Rates

First \$46,605	15.0%
\$46,606 – \$93,208	20.5%
\$93,209 – \$144,489	26.0%
\$144,490 – \$205,842	29.0%
\$205,843 and over	33.0%
Basic personal exemption	\$11,809

Attribution Rules

Recipient	Gift	No or low interest loan	Loan at prescribed or commercial rate
Spouse or Partner			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	Attributed to "gifter"	Attributed to lender	No attribution
2 nd Generation Income	No attribution	No attribution	No attribution
Child under 18			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2 nd Generation Income	No attribution	No attribution	No attribution
Child over 18			
Income	No attribution	No attribution*	No attribution
Capital Gains	No attribution	No attribution*	No attribution
Corporation (excluding small business corporation)			
	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	Attribution may result if reason for transfer is to confer a benefit on a family member and reduce family tax payable	No attribution

*Anti-avoidance provision can apply to attribute income and capital gains if one of the main reasons for the loan is to reduce taxes payable. Note: Attribution generally ceases on death or in cases of non-residency.

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2018 Employment Insurance (EI) Premiums

	All provinces/territories except Quebec	Quebec
Maximum Yearly Insurable Earnings	\$51,700	\$51,700
Employee's Premium Rate	1.66%	1.30%
Employer's Premium Rate	2.324%	1.82%
Maximum Yearly Employee Premium	\$858.22	\$672.10
Maximum Yearly Employer Premium	\$1,201.51	\$940.94

2018 Canada Pension Plan Premiums

	All provinces/territories except Quebec	Quebec*
Maximum Pensionable Earnings	\$55,900	\$55,900
Basic Exemption	\$3,500	\$3,500
Maximum Contributory Earnings	\$52,400	\$52,400
Employee and Employer Rate	4.95%	5.40%
Maximum Employee/Employer contribution	\$2,593.80	\$2,829.60
Maximum Self-employed contribution	\$5,187.60	\$5,659.20

*In Quebec contributions are made to the Quebec Pension Plan.

2018 CPP and QPP Retirement Benefit

Maximum monthly benefit (assuming payments begin at age 65): **\$1,134.17**

2018 Old Age Security (OAS) Payment Rates (current to Jan. 2018)

Maximum Monthly Benefit	\$586.66
Maximum Annual Income	Pensioners with a net income of \$75,910 or more are subject to OAS clawback. Clawback rate is 15% for each dollar beyond \$75,910. OAS is fully eliminated once net income reaches \$122,843.

RRIF Minimum Withdrawals

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

Marginal versus Effective Tax Rates – What's the Difference?

Marginal Tax Rate: Tax rate applicable to last dollar of income earned. Does not consider deductions and credits available to taxpayer.

Effective Tax Rate: Actual rate of tax paid by taxpayer. Considers deductions, credits and graduated tax brackets.

Commonly Used CRA Guides

P105 Students and Income Tax	RC4178 Death of a RRIF Annuitant
P113 Gifts and Income Tax	T4002 Business and Professional Income
RC4092 Registered Education Savings Plans (RESPs)	T4011 Preparing Returns for Deceased Persons
RC4110 Employee or Self-employed?	T4036 Rental Income
RC4112 Lifelong Learning Plan (LLP)	T4037 Capital Gains
RC4169 Tax Treatment of Mutual Funds for Individuals	T4040 RRSPs and Other Registered Plans for Retirement
RC4466 Tax Free Savings Account Guide for Individuals	T4055 Newcomers to Canada
RC4177 Death of an RRSP Annuitant or a PRPP Member	T4058 Non-Residents and Income Tax

Mackenzie Tax Brochures

- Education Planning
- Income Splitting
- Guide to Tax-Efficient Investing: Corporate Class Funds – Series T
- Mackenzie Charitable Giving Fund Program Guide
- Strategies for Trusts in Tax and Estate Planning
- TFSA Investor Guide
- Registered Disability Savings Plan Investor Guide
- Tax & Estate Planning for Business Owners Kit
- Canadians & US Estate Tax

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