

# Quick Reference Tax Card

	2020	2019
<b>Maximum CPP payment</b>	\$1,175.83 monthly	\$1,154.58 monthly
<b>Maximum pension premiums</b>	\$2,898 (employee & employer portion)	\$2,748.90 (employee & employer portion)
<b>Maximum QPP payment</b>	\$1,177.30	\$1,154.58
<b>Maximum QPP pension premiums</b>	\$3,146.40	\$2,991.45
<b>Maximum death benefit (One time payment)</b>	\$2,500	\$2,500
<b>OAS Monthly maximum</b>	\$613.53 <sup>1</sup> (July – September 2020)	\$607.46 <sup>1</sup> (July – September 2019)

For 2020, OAS will be clawed back starting at \$79,054 of net income and OAS will be entirely clawed back if net income exceeds \$128,137. For 2019, OAS will be clawed back starting at \$77,580 of net income and OAS will be entirely clawed back if net income exceeds \$126,058.

<sup>1</sup>GIS will be paid in excess of the expected amount of OAS.

## Withholding tax rates for RRSP/RRIF withdrawals<sup>2</sup>

Amount	All provinces (excluding Quebec) <sup>3</sup>	Quebec
<b>Up to \$5,000</b>	10%	20%
<b>\$5,000.01 to \$15,000</b>	20%	25%
<b>Above \$15,000</b>	30%	30%

<sup>2</sup>There is no withholding tax on RRIF minimum amounts. <sup>3</sup>Rates apply to RRSP withdrawals and RRIF withdrawals in excess of RRIF minimums.

Limits	2020	2019	2018
<b>RRSP</b>	\$27,230	\$26,500	\$26,230
<b>TFSA</b>	\$6,000	\$6,000	\$5,500
<b>RESP</b>	No annual contribution limit. Lifetime contribution limit: \$50,000		

## Probate fees

Estate size	Fee/tax	
<b>BC</b> Up to \$25,000	\$0	
\$25,001 – \$50,000	0.6% + admin fee (\$200)	
Over \$50,000	1.4% + admin fee (\$200)	
<b>AB</b> Up to \$10,000	\$35	
\$10,001 – \$25,000	\$135	
\$25,001 – \$125,000	\$275	
\$125,001 – \$250,000	\$400	
Over \$250,000	\$525	
<b>SK</b> All estates	0.7%	
<b>MB</b> Up to \$10,000	\$70	
Over \$10,000	\$70 + 0.7% in excess of \$10,000	
<b>ON</b> \$50,000 or less	No tax	
Over \$50,000	\$15 for every \$1,000 (1.5%)	
<b>QC</b> Notarial wills	No charge	
Verification of non-notarial wills	\$209	
<b>NB</b> First \$5,000	\$25	
\$5,001 – \$10,000	\$50	
\$10,001 – \$15,000	\$75	
\$15,001 – \$20,000	\$100	
Over \$20,000	\$100 + 0.05% in excess of \$20,000	
<b>NS</b> \$10,000 or less	\$85.60	
\$10,001 – \$25,000	\$215.20	
\$25,001 – \$50,000	\$358.15	
\$50,001 – \$100,000	\$1,002.65	
Over \$100,000	\$1,002.65 + 1.695% in excess of \$100,000	
<b>PEI</b> \$10,000 or less	\$50	
\$10,001 – \$25,000	\$100	
\$25,001 – \$20,000	\$200	
\$50,001 – \$100,000	\$400	
Over \$100,000	\$400 + 0.4% in excess of \$100,000	
<b>NL</b> \$1,000 or less	\$60	
Over \$1,000	\$60 + 0.6% in excess of \$1,000	
<b>YT</b> Up to \$25,000	\$0	
Over \$25,000	\$140 court filing fee	
<b>NWT</b>	NWT	NU
<b>&amp;</b> \$10,000 or less	\$30	\$25
<b>NU</b> \$10,001 – \$25,000	\$110	\$100
\$25,001 – \$125,000	\$215	\$200
\$125,001 – \$250,000	\$325	\$300
Over \$250,000	\$435	\$400

Sources: Canada Revenue Agency and TaxTips.ca.

# Quick Reference Tax Card

## TFSA over-contribution rules

- A monthly penalty tax of 1% is applied to contributions made over the maximum contribution limits.
- The tax of 1% per month will continue to apply for each month that the excess amount remains in the TFSA. It will continue until:
  - A. the entire excess amount is withdrawn or:
  - B. For eligible individuals, the entire excess amount is absorbed by additions to their unused TFSA contribution room in the following years.

## RRSP over-contribution rules

- A monthly penalty tax of 1% is applied to contributions made over the maximum contribution limits.
- Individuals over the age of 19 are entitled to a cumulative lifetime over-contribution amount of \$2,000 before the penalty is applied.
- The \$2,000 over-contribution limit is reduced when there is a negative RRSP deduction limit which may be due to a past service pension adjustment amount.

## RRIF minimum withdrawal amounts

Age*	Factor	Age*	Factor	Age*	Factor	Age*	Factor
71	5.28%	77	6.17%	83	7.71%	89	10.99%
72	5.40%	78	6.36%	84	8.08%	90	11.92%
73	5.53%	79	6.58%	85	8.51%	91	13.06%
74	5.67%	80	6.82%	86	8.99%	92	14.49%
75	5.82%	81	7.08%	87	9.55%	93	16.34%
76	5.98%	82	7.38%	88	10.21%	94	18.79%
						95+	20.00%

\*Age as of January 1, 2020.

## 2020 Top marginal tax rates (%)\*\*

Province	Ordinary income	Capital gains	Eligible dividends	Non-eligible dividends
<b>Federal income tax</b>	33.00%	16.50%	24.81%	27.57%
<b>British Columbia<sup>4</sup></b>	53.50%	26.75%	36.54%	48.89%
<b>Alberta<sup>5</sup></b>	48.00%	24.00%	31.71%	42.31%
<b>Saskatchewan</b>	47.50%	23.75%	29.64%	40.37%
<b>Manitoba</b>	50.40%	25.20%	37.78%	46.67%
<b>Ontario<sup>6</sup></b>	53.53%	26.76%	39.34%	47.74%
<b>Quebec</b>	53.31%	26.65%	40.10%	47.14%
<b>New Brunswick</b>	53.30%	26.65%	33.51%	47.75%
<b>Nova Scotia</b>	54.00%	27.00%	41.58%	48.28%
<b>Prince Edward Island</b>	51.37%	25.69%	34.22%	45.22%
<b>Newfoundland &amp; Labrador</b>	51.30%	25.65%	42.61%	44.59%
<b>Yukon<sup>7</sup></b>	48.00%	24.00%	28.93%	42.17%
<b>Northwest Territories</b>	47.05%	23.53%	28.33%	36.82%
<b>Nunavut</b>	44.50%	22.25%	33.08%	37.79%

\*\*Dividends earned by non-residents are subject to a federal withholding tax of 25% and the rate of such withholding may be lowered where a tax treaty applies. Generally, eligible dividends are paid from income which is subject to the general corporate tax rate, excluding investment income. Generally, non-eligible dividends are those paid by CCPCs from income eligible to the SBD or from investment income. A taxpayer's ability to claim the full dividend tax credit will be dependent on other sources of income earned, with the higher rate applying if the taxpayer has no other income.

Top marginal tax rates apply to income over \$214,368, except: <sup>4</sup>income over \$220,000; <sup>5</sup>income over \$314,928; <sup>6</sup>income over \$220,000; and <sup>7</sup>income over \$500,000.

# Quick Reference Tax Card

## Helpful tax definitions

### Pension income splitting

Pension income splitting allows a spouse – married or common-law partner – to give up to 50% of their *eligible pension income* (or 50% of the qualified pension income for taxpayer under 65) to their spouse, for tax purpose only. Pension splitting is done through the tax returns of the spouses, and no money changes hands.

#### Eligible pension income

The following qualify as eligible pension income for individuals in the year they turn 65 or after:

- Payments from a registered pension plan
- Life annuity payments from a pension plan, including income from life income funds (LIFs) and locked-in retirement income funds (LRIFs)
- RRIF payments (any portion transferred into an RRSP, another RRIF, or used to purchase an annuity does not qualify)
- RRIF payments received as a result of the death of a spouse
- Annuity payments from a RRSP, a RRIF or from a deferred profit sharing plan (DPSP)
- Payments from a pooled registered pension plan (PRPP)
- Income from non-registered annuities and insurance guaranteed investment certificates (GICs)
- Certain foreign pension payments

For those under age 65, qualified pension income is more limited, and includes:

- Life annuity payments from a superannuation or pension plan (not applicable in Quebec)
- Payments from a RRIF, an RRSP, DPSP, PRPP or of an annuity received as a result of the death of a spouse
- Annuity payments from the Saskatchewan Pension Plan
- Certain foreign pension payments

### Pension income amount

The *pension income amount* allows a taxpayer to claim a federal, non-refundable tax-credit of 15% on up to \$2,000 of eligible pension income. The maximum federal tax savings available is \$300 (\$2,000 × 15%). There are also provincial pension income amounts.

See **Pension Income Splitting** for what qualifies as eligible pension income for the purpose of the pension income amount.

Note: Income from Old Age Security (OAS) and the Canada or Quebec Pension Plan (CPP/QPP) does **not qualify** for pension income splitting or the pension income amount.

### Age amount credit

The age amount credit is a non-refundable tax credit, claimed on line 30100 of a personal income tax return. It is available to individuals who are age 65 or older at the end of the taxation year. The federal age amount credit for 2020 is \$7,637. It's calculated using the lowest tax rate (15% federally), so the maximum federal tax savings for 2020 is \$1,146.

For 2020, the age amount credit is reduced by 15% for each dollar of income (net income from line 23600) that exceeds \$38,508, and is eliminated when the taxpayer's income exceeds \$89,421.

Each province (except Quebec) has an age amount tax credit, which is calculated in the same manner. The Quebec tax credit calculation is similar, but combines the credits for the taxpayer and spouse in the same calculation, and uses family income in the calculation.

### CPP/QPP pension sharing

Income from the CPP or QPP can be shared with a spouse. To do so, a person must be receiving their pension, or be eligible to receive it, and be living with their spouse. Sharing a pension may result in tax savings.

The portion of a pension that can be shared is based on the number of months spouses lived together during their joint contributory period. This period is the time when either one of the individuals could have contributed to the CPP or QPP.

Individuals must apply to Service Canada to share a pension. Pension sharing can be cancelled at the request of either spouse. It also stops in the case of death.

See **Delaying CPP/QPP** document for more details.

### Spouse or common-law partner amount

An individual can claim this credit amount if, at any time in the year, they supported their spouse and their spouse's net income (line 23600 of their return was less than \$12,069 (\$14,299 if they were dependent on the individual claiming due to a physical or mental impairment).

The tax credit is calculated using the lowest tax rate (15% federally), so the maximum federal tax credit for 2020 is \$1,810 (\$2,145 if they were dependent as noted above).

### Tax credit transfers between spouses

There are some tax credit which can be combined and claimed on either spouse's return:

- **Medical expenses** can be combined and claimed on the tax return of one spouse. It can often be beneficial to claim all medical expenses for both spouses on the return of the spouse with the lowest taxable income. This is because the medical expenses tax credit is for expenses in excess of the lesser of 3% of net income or a specified threshold. Three percent of net income will be lower for the spouse with lower income. This is a tax credit, not a deduction, so the rate applied to the medical expenses to calculate the tax credit will be the same for either spouse. However, if the lower income spouse doesn't have sufficient income tax to offset the tax credit, then it may be better to be claimed by the higher income spouse.
- **Donations** for both spouses should be combined and claimed on the tax return of one spouse, because the tax credit for the first \$200 of donations is at the lowest tax rate. It often doesn't matter which spouse, because normally the tax credit will be the same amount for either spouse. However, if the higher income spouse has some income taxed at the highest federal tax rate, then the tax credit will be a higher amount for that spouse. Donations should be fully utilized, which also may work better for the higher income spouse. Also, donations don't have to be claimed in the year the donation was made, they can be carried forward for the next five years.

Source: Canada Revenue Agency.

# Quick Reference Tax Card

## Combined Federal, Provincial and Territorial income tax for individuals

(Ordinary income only as of January 1, 2020)<sup>8</sup>

Taxable Income	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL	YT	NWT	NU
\$20,000	1,474	1,079	1,429	2,113	1,481	1,518	1,939	1,764	1,996	1,929	1,509	1,305	1,163
\$30,000	3,480	3,579	3,979	4,693	3,486	4,271	4,407	4,195	4,476	4,299	3,649	3,395	3,063
\$40,000	5,486	6,079	6,529	7,402	5,491	7,023	6,875	7,243	7,276	6,789	5,789	5,485	4,963
\$50,000	7,791	8,659	9,255	10,258	7,792	10,116	9,763	10,371	10,237	9,820	8,047	7,819	7,056
\$60,000	10,611	11,709	12,555	13,583	10,757	13,828	13,295	13,983	13,677	13,320	10,997	10,729	9,806
\$70,000	13,431	14,759	15,855	16,908	13,722	17,539	16,827	17,753	17,272	16,820	13,947	13,639	12,556
\$80,000	16,251	17,809	19,155	20,597	16,710	21,251	20,359	21,496	20,992	20,374	16,897	16,549	15,306
\$90,000	19,254	20,859	22,455	24,387	19,870	25,000	23,945	25,213	24,712	24,004	19,847	19,534	18,056
\$100,000	22,590	24,071	25,916	28,338	23,709	29,246	27,809	29,149	28,602	27,795	23,014	22,965	21,116
\$110,000	26,419	27,671	29,766	32,678	28,050	33,845	32,061	33,499	33,039	31,975	26,704	26,785	24,616
\$120,000	30,336	31,271	33,616	37,018	32,391	38,591	36,313	37,849	37,476	36,155	30,394	30,605	28,116
\$130,000	34,406	34,871	37,482	41,358	36,732	43,337	40,565	42,199	41,913	40,335	34,084	34,425	31,616
\$140,000	38,476	38,646	41,532	45,698	41,073	48,083	44,817	46,549	46,350	44,584	37,774	38,245	35,116
\$150,000	42,546	42,446	45,582	50,038	45,413	52,829	49,186	50,899	50,787	48,914	41,464	42,196	38,616
\$160,000	46,970	46,578	49,938	54,685	50,217	57,831	53,876	55,906	55,530	53,550	45,642	46,508	42,661
\$170,000	51,572	50,800	54,310	59,347	55,036	62,846	58,809	60,928	60,289	58,202	49,844	50,834	46,733
\$180,000	56,174	55,022	58,682	64,009	59,855	67,861	63,761	65,950	65,048	62,854	54,045	55,161	50,804
\$190,000	60,776	59,244	63,054	68,670	64,674	72,875	68,713	70,972	69,807	67,510	58,247	59,488	54,876
\$200,000	65,378	63,466	67,426	73,332	69,492	77,890	73,665	75,993	74,566	72,262	62,449	63,815	58,948

<sup>8</sup>This table cannot be used if taxable income includes Canadian dividends. Tax includes federal, provincial and territorial tax (and surtax, where applicable), but does not take into account minimum tax. In calculating tax, only the basic personal non-refundable tax credits, both federal and provincial/territorial, have been considered. The non-refundable credits for EI and CPP/QPP contributions, the northern resident deduction, low income tax reductions and credits and refunds of GST and provincial sales taxes have not been considered. This table does not include health premiums contributions.

Sources: Canada Revenue Agency and TaxTips.ca.

While information contained in this document has been obtained from sources believed to be reliable, SLGI Asset Management Inc. cannot guarantee its accuracy or completeness. This information is subject to change without notice and SLGI Asset Management Inc. disclaims any responsibility to update it. This document should not be construed as providing specific individual financial, investment, tax, or legal advice.

Sun Life Global Investments is a trade name of SLGI Asset Management Inc., Sun Life Assurance Company of Canada and Sun Life Financial Trust Inc.

© SLGI Asset Management Inc. and its licensors, 2020. SLGI Asset Management Inc. is a member of the Sun Life group of companies. All rights reserved.

ARIP-810-4329-10-20-df