

# 2016 INCOME YEAR TAX FACTS



## IMPORTANT INFORMATION TO CONSIDER THIS TAX SEASON

The following is a summary of important information to help guide your financial plan and make tax season easier this year. All rates are for the 2016 income year unless otherwise noted.

### Retirement

To get the most out of your investment planning, talk to your advisor:

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Title  
Dealer name

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Maximum CPP benefit at age 65 Maximum QPP benefit at age 65	\$1,092.50 per month \$1,092.50 per month
Maximum CPP benefit at age 60 Maximum QPP benefit at age 60	\$699.20 per month (36% max reduction) \$699.20 per month (36% max reduction)
Maximum CPP contribution – employer and employee Maximum QPP contribution – employer and employee	\$2,544.30 each annually \$2,737.05 each annually
Maximum CPP contribution for self-employed – employer and employee Maximum QPP contribution for self-employed – employer and employee	\$5,088.60 each annually \$5,474.10 each annually
YMPE – Yearly Maximum Pensionable Earnings	\$54,900
Maximum OAS benefit for Q1	\$570.52 per month
OAS clawback rate for income year 2015	\$0.15 for every \$1 of net income above \$72,809; the full OAS is eliminated at a net income of \$117,954 or higher
OAS clawback rate for income year 2016	\$0.15 for every \$1 of net income above \$73,756; the full OAS is eliminated at a net income of \$119,398 or higher
RRSP – maximum annual deduction limit for 2015	\$24,930
RRSP – maximum annual deduction limit for 2016	\$25,370
RRSP – withholding tax on withdrawals by a resident of Quebec/rest of Canada respectively	10% for amounts up to \$5,000 (21% in Quebec) 20% for amounts between \$5,001 - \$15,000 (26% in Quebec) 30% for amounts more than \$15,000 (31% in Quebec)
TFSA contribution room created on January 1	\$10,000 for 2015 \$5,500 for 2016

## Education

Maximum annual RESP contribution	Unlimited annual up to lifetime maximum of \$50,000 per beneficiary
Annual RESP contribution for maximum Canada Education Savings Grant (CESG)	<p>Basic CESG: 20% on every dollar of the first \$2,500 saved into RESP each year</p> <p>Additional CESG: Depending on net family income, additional 10% or 20% on every dollar of the first \$500 saved into RESP each year</p> <p>Maximum lifetime grant = \$7,200</p>

## Tax Cont'd

Employment Insurance – maximum annual premium	\$955.04 (\$772.16 in Quebec due to separate maternity and parental benefits)												
Employment Insurance – insured earnings	\$50,800												
Basic personal federal tax exemption	\$11,474 (base) \$1,721 (credit)												
Federal tax brackets and rates based on taxable income	<table border="1"> <thead> <tr> <th>Taxable income</th> <th>Federal rate</th> </tr> </thead> <tbody> <tr> <td>Up to \$45,282</td> <td>15%</td> </tr> <tr> <td>\$45,283 – \$90,563</td> <td>20.5%</td> </tr> <tr> <td>\$90,564 – \$140,388</td> <td>26%</td> </tr> <tr> <td>\$140,389 – \$200,000</td> <td>29%</td> </tr> <tr> <td>\$200,001 and over</td> <td>33%</td> </tr> </tbody> </table>	Taxable income	Federal rate	Up to \$45,282	15%	\$45,283 – \$90,563	20.5%	\$90,564 – \$140,388	26%	\$140,389 – \$200,000	29%	\$200,001 and over	33%
Taxable income	Federal rate												
Up to \$45,282	15%												
\$45,283 – \$90,563	20.5%												
\$90,564 – \$140,388	26%												
\$140,389 – \$200,000	29%												
\$200,001 and over	33%												
Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138% Federal tax credit is 15.0198% of taxable amount												

## Provincial Tax Rates

	Tax Rates	Tax Brackets
British Columbia	5.06% 7.70% 10.50% 12.29% 14.70%	Up to \$38,210 \$38,211 - \$76,421 \$76,422 - \$87,741 \$87,742 - \$106,543 \$106,544 and over
Alberta	10.00% 12.00% 13.00% 14.00% 15.00%	Up to \$125,000 \$125,001 - \$150,000 \$150,001 - \$200,000 \$200,001 - \$300,000 \$300,001 and over
Saskatchewan	11.00% 13.00% 15.00%	Up to \$44,601 \$44,602 - \$127,430 \$127,431 and over
Manitoba	10.80% 12.75% 17.40%	Up to \$31,000 \$31,001 - \$67,000 \$67,001 and over
Ontario	5.05% 9.15% 11.16% 12.16% 13.16%	Up to \$41,536 \$41,537 - \$83,075 \$83,076 - \$150,000 \$150,001 - \$220,000 \$220,001 and over

## Provincial Tax Rates

	Tax Rates	Tax Brackets
Quebec	16.00% 20.00% 24.00% 25.75%	Up to \$42,390 \$42,391 - \$84,780 \$84,781 - \$103,150 \$103,151 and over
New Brunswick	9.68% 14.82% 16.52% 17.84% 21.00 25.75	Up to \$40,492 \$40,493 - \$80,985 \$80,986 - \$131,664 \$131,665 - \$150,000 \$150,001 - \$250,000 \$250,001 and over
Nova Scotia	8.79% 14.95% 16.67% 17.50% 21.00%	Up to \$29,590 \$29,591 - \$59,180 \$59,181 - \$93,000 \$93,001 - \$150,000 \$150,001 and over
Prince Edward Island	9.80% 12.50% 13.30%	Up to \$31,984 \$35,985 - \$63,969 \$63,970 and over
Newfoundland and Labrador	7.70% 12.50% 13.30% 14.30% 15.30%	Up to \$35,148 \$35,149 - \$70,295 \$70,296 - \$125,500 125,501 - 175,700 175,701 and over
Yukon	6.40% 9.00% 10.90% 12.80% 15.00%	Up to \$45,282 \$45,283 - \$90,563 \$90,564 - \$140,388 \$140,389 - \$500,000 \$500,001 and over
Northwest Territories	5.90% 8.60% 12.20% 14.05%	Up to \$41,011 \$41,012 - \$82,024 \$80,025 - \$133,353 \$133,354 and over
Nunavut	4.00% 7.00% 9.00% 11.50%	Up to \$43,176 \$43,177 - \$86,351 \$86,352 - \$140,388 \$140,389 and over

## Government Info

Canada Revenue Agency website	<a href="http://www.cra-arc.gc.ca">www.cra-arc.gc.ca</a>
Canada Revenue Agency General Help Line	1.800.959.8281
Phone number for CPP/OAS queries	1.800.277.9914
Phone number for QPP queries	Régie des rentes du Québec: 1.800.463.5185

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