



JACQUES F. LIWANPO

CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT
CERTIFIED FINANCIAL PLANNER



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Tax Info

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2018 Personal Tax Rates - Ontario					
Personal Taxable Income		Marginal Rate			
Lower	Upper	Other Income	Capital Gain	Eligible Dividend	Non Eligible
0	42,960	20.5%	10.03%	0%	8.00%
42,960	46,605	24.15%	12.08%	0%	12.76%
46,605	75,657	29.65%	14.83%	6.39%	19.14%
75,657	85,923	31.48%	15.74%	8.92%	21.26%
85,923	89,131	33.89%	16.95%	12.24%	24.06%
89,131	93,208	37.91%	18.95%	17.79%	28.72%
93,208	144,489	43.41%	21.70%	25.38%	35.10%
144,489	150,000	46.41%	23.20%	29.52%	38.58%
150,000	205,842	47.97%	23.98%	31.67%	40.39%
205,842	220,000	51.97%	25.98%	37.19%	45.03%
220,000	0	53.53%	26.76%	39.34%	46.84%



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DIVIDENDS 2017

Maximum dividend that can be received tax-free if there is no other income:

	<u>Non-Eligible Dividend</u>	<u>Eligible Dividend</u>
Personal credit only	23,400	57,300
Student with \$7,000 of tuition*	23,400	69,370

*No Ontario tuition credit in 2018 so having tuition does not reduce provincial tax on additional non-eligible dividend.

Alternative minimum tax limits the amount of eligible dividends.

In all cases, there will be a liability for the Ontario Health Premium.



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Registered Retirement Income Funds

An RRSP must mature no later than December 31st of the year in which the RRSP annuitant turns 71. The RRSP can be cashed in, annuitized, or as more commonly done, converted to a RRIF.

Minimum annual withdrawals

To determine the minimum amount that must be withdrawn from a RRIF in a given year for a specific annuitant, multiply the Jan 1 fair market value of the RRIF by the factor associated with the annuitant's age on January 1. Clients can opt to use the age of their spouse or common-law partner if this election is made before the first withdrawal. No minimum withdrawal is required in the year a RRIF is established. Also to maximize tax-deferred growth in the RRIF, set up withdrawals to occur on December 31. While RRIF's have a minimum that must be withdraw in a year, there is no maximum.

There is no tax withheld upon death if the deceased owner was a Canadian resident for tax purposes.

Age	General (%)	Qualifying RRIFs (%)	Age	General (%)	Qualifying RRIFs (%)
71	5.28	5.26	90	11.92	11.92
72	5.40	5.40	91	13.06	13.06
73	5.53	5.53	92	14.49	14.49
74	5.67	5.67	93	16.34	16.34
75	5.82	5.82	94	18.79	18.79
76	5.98	5.98	95 or older	20.00	20.00
77	6.17	6.17			
78	6.36	6.36			
79	6.58	6.58			
80	6.82	6.82			
81	7.08	7.08			
82	7.38	7.38			
83	7.71	7.71			
84	8.08	8.08			
85	8.51	8.51			
86	8.99	8.99			
87	9.55	9.55			
88	10.21	10.21			
89	10.99	10.99			

Source: Canada Revenue Agency

A qualifying RRIF is generally a RRIF established before 1993

To calculate minimum annual withdrawals for below age 71, use the formula $1/(90-\text{age})$.



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Withholding taxes

Generally, all funds withdrawn from registered funds such as an RRSP, RRIF and LIF are fully taxable as income. Minimum annual withdrawal amounts from RRIFs or LIFs are not subject to withholding taxes. For withdrawals from an RRSP and withdrawal amounts over and above these RRIF/LIF minimums, withholding taxes are as follows:

Amount Withdrawn in excess of minimum (\$)	All provinces except Quebec (%)	Quebec (%)
Up to \$5,000	10	20
\$5,001 to \$15,000	20	25
Over \$15,000	30	30

Source: Canada Revenue Agency, Revenu Quebec.

There is no tax withheld upon death if the deceased owner was a Canadian resident for tax purposes.