

# 2017 TAX PLANNING

## Quick Reference Guide

### Provincial/Territorial Income Tax Rates\*

(current to Jan. 2017)

Province/Territory	Income Bracket	Rate
British Columbia	First \$38,898	5.06%
	\$38,898 – \$77,797	7.70%
	\$77,797 – \$89,320	10.50%
	\$89,320 – \$108,460	12.29%
Alberta	\$108,460 and over	14.70%
	First \$126,625	10.00%
	\$126,625 – \$151,950	12.00%
	\$151,950 – \$202,600	13.00%
Saskatchewan	\$202,600 – \$303,900	14.00%
	\$303,900 and over	15.00%
	First \$45,225	11.00%
	\$45,225 – \$129,214	13.00%
Manitoba	\$129,214 and over	15.00%
	First \$31,465	10.80%
	\$31,465 – \$68,005	12.75%
Ontario	\$68,005 and over	17.40%
	First \$42,201	5.05%
	\$42,201 – \$84,404	9.15%
Quebec	\$84,404 – \$150,000	11.16%
	\$150,000 – 220,000	12.16%
	\$220,000 and over	13.16%
	First \$42,705	16.00%
New Brunswick	\$42,705 – \$85,405	20.00%
	\$85,405 – \$103,915	24.00%
	\$103,915 and over	25.75%
	First \$41,059	9.68%
Nova Scotia	\$41,059 – \$82,119	14.82%
	\$82,119 – \$133,507	16.52%
	\$133,507 – \$152,100	17.84%
	\$152,100 and over	20.30%
Prince Edward Island	First \$29,590	8.79%
	\$29,590 – \$59,180	14.95%
	\$59,180 – \$93,000	16.67%
	\$93,000 – \$150,000	17.50%
Newfoundland & Labrador	\$150,000 and over	21.00%
	First \$31,984	9.80%
	\$31,984 – \$63,969	13.80%
	\$63,969 and over	16.70%
Yukon	First \$35,851	8.70%
	\$35,851 – \$71,701	14.50%
	\$71,701 – \$128,010	15.80%
	\$128,010 – \$179,214	17.30%
Northwest Territories	\$179,214 and over	18.30%
	First \$45,916	6.40%
	\$45,916 – \$91,831	9.00%
	\$91,831 – \$142,353	10.90%
Nunavut	\$142,353 – \$500,000	12.80%
	\$500,000 and over	15.00%
	First \$41,585	5.90%
	\$41,585 – \$83,172	8.60%
Nunavut	\$83,172 – \$135,219	12.20%
	\$135,219 and over	14.05%
	First \$43,780	4.00%
	\$43,780 – \$87,560	7.00%
Nunavut	\$87,560 – \$142,353	9.00%
	\$142,353 and over	11.50%

\*The table includes and assumes all proposed rates from 2017 provincial budgets, where applicable, have been passed.

### 2017 Top Marginal Tax Rates (Federal and Provincial Rates Combined)\*

Province/Territory	Interest/Foreign Dividends	Capital Gains**	Eligible Dividends	Non-Eligible Dividends
British Columbia	47.70%	23.85%	31.30%	40.61%
Alberta	48.00%	24.00%	31.71%	41.24%
Saskatchewan	48.00%	24.00%	30.33%	39.91%
Manitoba	50.40%	25.20%	37.78%	45.74%
Ontario	53.53%	26.77%	39.34%	45.30%
Quebec	53.30%	26.65%	39.83%	43.84%
New Brunswick	53.30%	26.65%	33.50%	45.95%
PEI	51.37%	25.69%	34.22%	43.87%
Nova Scotia	54.00%	27.00%	41.58%	46.97%
Newfoundland/Labrador	51.30%	25.65%	42.61%	43.61%
Yukon	48.00%	24.00%	24.81%	40.18%
NWT	47.05%	23.53%	28.33%	35.72%
Nunavut	44.50%	22.25%	33.08%	36.36%

\*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:	2017 – \$26,010 2018 – \$26,230
TFSA Contribution Limit	2017 – \$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 \$15,000	31%	30%

### Attribution Rules

Recipient	Gift	No or low interest loan	Loan at prescribed or commercial rate
<b>Spouse or Partner</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	Attributed to "gifter"	Attributed to lender	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2 <sup>nd</sup> Generation Income	No attribution	No attribution	No attribution
<b>Child over 18</b>			
Income	No attribution	No attribution*	No attribution
Capital Gains	No attribution	No attribution*	No attribution
<b>Corporation (excluding small business corporation)</b>			
	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.

### 2017 Federal Income Tax Rates

First \$45,916	15.0%
\$45,916 – \$91,831	20.5%
\$91,831 – \$142,353	26.0%
\$142,353 – \$202,800	29.0%
\$202,800 and over	33.0%
Basic personal exemption	\$11,635

# 2017 TAX PLANNING

## 2017 Employment Insurance (EI) Premiums

	All provinces/territories except Quebec	Quebec
Maximum Yearly Insurable Earnings	\$51,300	\$51,300
Employee's Premium Rate	1.63%	1.27%
Employer's Premium Rate	2.282%	1.778%
Maximum Yearly Employee Premium	\$836.19	\$651.51
Maximum Yearly Employer Premium	\$1,170.67	\$912.11

## 2017 Canada Pension Plan Premiums

	All provinces/territories except Quebec	Quebec*
Maximum Pensionable Earnings	\$55,300	\$55,300
Basic Exemption	\$3,500	\$3,500
Maximum Contributory Earnings	\$51,800	\$51,800
Employee and Employer Rate	4.95%	5.40%
Maximum Employee/Employer contribution	\$2,564.10	\$2,797.20
Maximum Self-employed contribution	\$5,128.20	\$5,594.40

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

## 2017 CPP and QPP Retirement Benefit

Maximum monthly benefit (assuming payments begin at age 65): **\$1,114.17**

## 2017 Old Age Security (OAS) Payment Rates (current to Jan. 2017)

Maximum Monthly Benefit	\$578.53
Maximum Annual Income	Pensioners with a net income of \$73,756 or more are subject to OAS clawback. Clawback rate is 15% for each dollar beyond \$73,756. OAS is fully eliminated once net income reaches \$119,615.

## 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

<b>P105</b> Students and Income Tax	<b>RC4178</b> Death of a RRIF Annuitant
<b>P113</b> Gifts and Income Tax	<b>T4002</b> Business and Professional Income
<b>RC4092</b> Registered Education Savings Plans (RESPs)	<b>T4011</b> Preparing Returns for Deceased Persons
<b>RC4110</b> Employee or Self-employed?	<b>T4036</b> Rental Income
<b>RC4112</b> Lifelong Learning Plan (LLP)	<b>T4037</b> Capital Gains
<b>RC4169</b> Tax Treatment of Mutual Funds for Individuals	<b>T4040</b> RRSPs and Other Registered Plans for Retirement
<b>RC4466</b> Tax Free Savings Account Guide for Individuals	<b>T4055</b> Newcomers to Canada
<b>RC4177</b> Fact Sheet Death of an RRSP Annuitant or a PRPP Member	<b>T4058</b> 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 Advisor Guide
- TFSA Investor Guide
- Registered Disability Savings Plan Investor Guide
- Tax & Estate Planning for Business Owners Kit
- Canadians & US Estate Tax

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