

2020 financial planning facts and figures (As of December 31, 2019)

RRIF minimum withdrawal amounts

(Fair market value of non-qualifying RRIF on December 31 of the previous year multiplied by prescribed factors below)

Age	Non-qualifying RRIF min.	Age	Non-qualifying RRIF min.
71	0.0528	84	0.0808
72	0.0540	85	0.0851
73	0.0553	86	0.0899
74	0.0567	87	0.0955
75	0.0582	88	0.1021
76	0.0598	89	0.1099
77	0.0617	90	0.1192
78	0.0636	91	0.1306
79	0.0658	92	0.1449
80	0.0682	93	0.1634
81	0.0708	94	0.1879
82	0.0738	95 or older	0.2000
83	0.0771	-	-

- RRIFs must be converted by the end of the year in which the planholder turns 71.
- For annuitants under 71 years of age, Annual Minimum Payment (AMP) for non-qualifying RRIF = (value of RRIF at beginning of the year) / (90 - planholder's or spouse's age)

Maximum contribution limits

Year	RRSP ¹	TFSA ²	RPP ³
2018	\$26,230	\$5,500	\$26,500
2019	\$26,500	\$6,000	\$27,230
2020	\$27,230	\$6,000	\$27,830

- Annual RRSP contributions are limited to the lesser of 18% of your earned income from the prior year or the annual maximum contribution noted above plus any carry-forward contribution room.
- The cumulative TFSA limit for 2020 is \$69,500.
- The RPP annual contribution limits apply to defined contribution pension plans only.

RRSP over-contribution rules

- A monthly penalty tax of 1% is applied to RRSP contributions made in excess of the maximum contribution limits.
- If an individual is 19 years of age or over at any time in the current year, they are entitled to a cumulative lifetime over-contribution amount of \$2,000 before the penalty is applied.

Source: Service Canada

Withholding tax rates for RRSP and RRIF withdrawals¹

Amount	All provinces excluding Quebec ²	Quebec ³
Up to \$5,000	10%	(5% + 15%) = 20%
\$5,000.01 to \$15,000	20%	(10% + 15%) = 25%
Above \$15,000	30%	(15% + 15%) = 30%

- There is no withholding tax on RRIF minimum amounts.
- Rates apply to RRSP withdrawals and RRIF withdrawals in excess of RRIF minimums.
- Quebec applies a flat 15% withholding tax on all RRIF withdrawals excluding RRIF minimum payment amounts. Federal withholding tax rates will be added on RRIF withdrawals in excess of RRIF minimum payments of up to \$5,000 (5%), \$5,001 to \$15,000 (10%), and over \$15,000 (15%) respectively.

Spousal RRSP rules

- Any amounts that may be contributed to an individual's own plan under their personal RRSP deduction limit may be contributed to a Spousal RRSP instead.
- For a 2020 withdrawal, the contributor declares income if contributions were made to any Spousal RRSP in 2018, 2019 or 2020.
- Contributions to a Spousal RRSP may be made by a contributing spouse up to and including the year their spouse turns 71 (tax deductible to contributing spouse), provided the contributor has available RRSP room.

Source: Service Canada

Pension income splitting rules

Age 65 and older	Eligible pension income includes annuity and registered retirement income fund (including life income fund) payments, registered retirement savings plan (RRSP) annuity payments (not withdrawals), and the taxable part of life annuity payments from a superannuation or pension fund or plan.
Younger than 65	Eligible pension income includes the taxable part of life annuity payments from a superannuation or pension fund or plan and certain payments if they are received as a result of the death of a spouse or common-law partner.

RESP limits

Lifetime contribution limit per beneficiary	\$50,000
Maximum total CESG limit per beneficiary	\$7,200
Basic CESG rate on the first \$2,500 of annual contributions	20%
CESG annual limit per beneficiary	\$500

In the case of unused CESG room, catch-up payments eligible for a grant subject to:

Lifetime limit	\$7,200
Annual limit	\$500

Source: Service Canada

Maximum capital gains exemption

Year	QSBC shares	Farming/fishing property
2018	\$848,252	\$1,000,000
2019	\$866,912	\$1,000,000
2020	\$888,384	\$1,000,000

RDSP

Contribution room	\$200,000 lifetime maximum
Plan opening/ contribution age minimum	No minimum age, however, before the end of calendar year in which the beneficiary turns 59 years of age is the maximum age to open a plan
Plan end date requirement	By December 31 following the calendar year in which the beneficiary (i) dies, or (ii) when the beneficiary is no longer considered to have a severe or prolonged impairment in physical or mental functions that qualify them for the disability amount and an election to extend the period for which an RDSP may remain open is not filed
Annual contribution deadline	December 31
Tax on income/ capital gains	Deferred until withdrawn
Government grants	Canada Disability Savings Grant (CDSG): Subject to family income-based eligibility requirements (\$70,000 lifetime maximum) Canada Disability Savings Bond (CDSB): Subject to family income-based eligibility requirements (\$20,000 lifetime maximum) The beneficiary can receive a grant on contributions made until the end of the year in which they turn age 49.

Source: Service Canada

Attribution rules

Type	Gift	No- or low-interest loan	Loan at prescribed or commercial rate
Spouse			
Income	Attributed to 'giftor'	Attributed to lender	No attribution
Capital Gains	Attributed to 'giftor'	Attributed to lender	No attribution
Second Generation Income	No attribution	No attribution	No attribution
Child under 18			
Income	Attributed to 'giftor'	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
Second Generation Income	No attribution	No attribution	No attribution

* No attribution for child over 18

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2020 Canadian-Controlled Private Corporations (CCPC) rates

(Combined Federal and Provincial/Territorial tax rates)

Jurisdiction	Active business income to \$500k (%) ¹	Active business income greater than 500k (%) ¹	Investment income (%)
Federal	9	15	38.67
Alberta	11	25	48.67
British Columbia	11	27	50.67
Manitoba	9	27	50.67
New Brunswick	11.5	29	52.67
Newfoundland and Labrador	12	30	53.67
NWT	13	26.5	50.17
Nova Scotia	12	31	54.67
Nunavut	12	27	50.67
Ontario	12.2	26.5	50.17
PEI	12	31	54.67
Quebec	14	26.5	50.17
Saskatchewan	11	27	50.67
Yukon	11	27	50.67

¹ The federal small business deduction ("SBD") applies to the first \$500,000 of income from an active business carried on in Canada by a Canadian-controlled private company ("CCPC"). It must be shared with associated CCPCs and may be clawed back for "large" corporations with taxable capital of associated corporate groups exceeding \$10M (and is completely eliminated when the associated group's taxable capital exceeds \$15M). Similarly, the provinces and territories offer reduced rates, generally up to the first \$500,000 of active business income.

OAS Pension Recovery Tax ("OAS Clawback") – income thresholds

Income year	Income level clawback begins at:	Full clawback at:	Clawback period
2018	\$75,910	\$123,386	July 2019 – June 2020
2019	\$77,580	\$125,937	July 2020 – June 2021
2020	\$79,054	\$128,137	July 2021 – June 2022

CPP/QPP and OAS thresholds

Maximum CPP/QPP @ 65 for 2020:	\$1,175.83/month
Maximum OAS Pension for 2020:	\$613.53/month (2020-Q1) changes quarterly

Estate Administration Tax

Province	Estate size	Fee/tax
Alberta	• First \$10,000 • \$10,000 to \$250,000 • Over \$250,000	• \$35 • Progressive to \$400 • \$525
British Columbia	• First \$25,000 • \$25,000 to \$50,000 • Over \$50,000	• \$0 • 0.6% + \$200 admin fee • \$150 + 1.40% of excess + \$200 admin fee
Manitoba	• First \$10,000 • Over \$10,000	• \$70 • \$70 + 0.70% of excess
New Brunswick	• First \$5,000 • \$5,000 to \$20,000 • Over \$20,000	• \$25 • Progressive to \$100 • \$100 + 0.50% of excess
Newfoundland and Labrador	• First \$1,000 • Over \$1,000	• \$60 • \$60 + 0.60%
NWT and Nunavut	• Less than \$10,000 • \$10,000 to \$250,000 • Over \$250,000	• \$30 • Progressive to \$325 • \$435
Nova Scotia	• First \$10,000 • \$10,000 to \$100,000 • Over \$100,000	• \$86 • Progressive to \$1,002.65 • \$1,002.65 + 1.70% of excess
Ontario	• First \$50,000 • Over \$50,000	• 0 • 1.50%
PEI	• First \$10,000 • \$10,000 to \$100,000 • Over \$100,000	• \$50 • Progressive to \$400 • \$400 + 0.40% of excess
Quebec	• Notarial Wills • Verification of Wills for a natural and legal person	• No fee • \$202
Saskatchewan	• All estates	• 0.70%
Yukon	• \$25,000 or less • Over \$25,000	• \$0 • \$140

Important dates

RESP contribution deadline	December 31, 2020
2019 self-employed business tax filing deadline	June 15, 2020
Quarterly deadlines – personal tax installments	March 15, 2020 June 15, 2020 September 15, 2020 December 15, 2020
RRSP contribution deadline for 2019 tax year	March 2, 2020
2019 individual tax filing deadline	April 30, 2020

* If the deadline falls on Saturday, Sunday or a holiday, taxpayers have until the next business day to file.

2020 top marginal personal tax rates^{*}

	Interest/foreign dividends	Capital gains	Eligible dividends	Non-eligible dividends
Federal	33.00%	16.50%	24.81%	27.57%
Alberta	48.00% ¹	24.00% ¹	31.71% ¹	42.31% ¹
British Columbia	49.80%	24.90%	31.44%	44.64%
Manitoba	50.40%	25.20%	37.78%	46.67%
New Brunswick	53.30%	26.65%	33.51%	47.75%
Newfoundland and Labrador	51.30%	25.65%	42.62%	44.59%
NWT	47.05%	23.53%	28.33%	36.82%
Nova Scotia	54.00%	27.00%	41.58%	48.28%
Nunavut	44.50%	22.25%	33.08%	37.79%
Ontario	53.53% ²	26.76% ²	39.34% ²	47.40% ²
PEI	51.37%	25.69%	34.22%	45.22%
Quebec	53.31%	26.65%	40.10%	47.14%
Saskatchewan	47.50%	23.75%	29.64%	40.37%
Yukon	48.00% ³	24.00% ³	28.93% ³	42.17% ³

^{*} As of September 30, 2019

¹ Incomes over \$314,928

² Incomes over \$220,000

³ Incomes over \$500,000

- Dividends and proceeds from the disposition of taxable Canadian property earned by non-residents are subject to a federal withholding tax of 25% and the withholding tax rate 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 for the Small Business Deduction or from investment income.
- A taxpayer's ability to claim the full dividend tax credit will be dependent on the other sources of income earned, with the higher rate applying if the taxpayer has no other income.
- A non-resident will pay tax on taxable income below \$12,298 if the non-resident does not qualify for the federal personal basic tax credit.
- Non-resident rates for interest and dividends apply only in limited cases; generally, interest (other than most interest paid to arm's-length non-residents) and dividends are subject to Part XIII non-resident withholding tax.
- Applies to incomes over \$214,368—i.e. highest federal tax bracket. Unless the highest provincial tax bracket applies as otherwise indicated.

2020 U.S. gifts and estate tax

Giftor	Receiver	Gift tax annual exclusion amount
U.S. citizen	Other than spouse	USD \$15,000 per donee
U.S. citizen	U.S. spouse	Unlimited
U.S. citizen	Non-U.S. spouse	USD \$157,000

- U.S. citizens and U.S. domiciliaries are subject to estate and gift tax at a progressive rate of 18–40%.
- The combined lifetime gift and estate exemption amount is USD \$11.58 million in 2020.
- Non-U.S. citizens with U.S. situs assets over USD \$60,000 and worldwide assets over USD \$11.58 million.

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