

# ALITIS

INVESTMENT COUNSEL

## 2018 Alberta Personal Tax Rates<sup>1</sup>

TAXABLE INCOME	PENSIONS, RRIFs, WAGES OR INTEREST	CAPITAL GAINS <sup>2</sup>	ELIGIBLE DIVIDENDS <sup>3</sup>	NON-ELIGIBLE DIVIDENDS
\$0 - \$11,809	-	-	-	-
\$11,810 - \$46,605	25.00%	12.50%	-0.03%	14.96%
\$46,606 - \$93,208	30.50%	15.25%	7.56%	21.34%
\$93,209 - \$128,145	36.00%	18.00%	15.15%	27.72%
\$128,146 - \$144,489	38.00%	19.00%	17.91%	30.04%
\$144,490 - \$153,773	41.00%	20.50%	22.05%	33.52%
\$153,774 - \$205,031	42.00%	21.00%	23.43%	34.68%
\$205,032 - \$205,842	43.00%	21.50%	24.81%	35.84%
\$205,843 - \$307,547	47.00%	23.50%	30.33%	40.48%
Over \$307,548	48.00%	24.00%	31.71%	41.64%

	PERSONAL TAX CREDITS		GOVERNMENT BENEFITS		
	FEDERAL	PROVINCIAL		ANNUAL	MONTHLY
<b>Basic</b>	\$11,809	\$18,915	<b>CPP (at 65) – max. (at 60) 64% of max.</b> (If you are under 65 working and receiving CPP, you and your employer must make CPP contributions)	\$13,608	\$1,134
<b>Spouse or Common-Law Partner</b>	\$11,809	\$18,915		\$8,710	\$726
<b>Caregiver (65 &amp; over)</b>	\$0	\$10,949	<b>OAS (at 65) – max.</b>	\$7,044	\$587
<b>Infirm dependant (18+)</b>	\$6,986	\$10,949			
<b>Age credit (65 &amp; over) – Every \$1 earned over threshold increases tax rate by 3%</b>	\$7,335	\$5,271	<b>GIS – max. (single pensioner)</b>	\$10,512	\$876
<b>Pension Income</b>	\$2,000	\$1,456	<b>Allowance – max.</b>	\$13,368	\$1,114
<b>Tuition &amp; Education - Full-time</b>		\$735/mo	<b>CPP Disability</b>	\$16,032	\$1,336
<b>Tuition &amp; Education - Part-time</b>		\$221/mo	<b>CPP Survivor's Pension</b>		
<b>Disability Amount</b>	\$8,235	\$14,590	Younger than 65	\$7,380	\$615
<b>Charitable Donations</b>	1st \$200 Over \$200	15.00% 29.00%	65 or older	\$8,172	\$681
<b>First-Time Donor Super Credit</b>	1st \$200 Over \$200	40.00% 54.00%	<b>Orphan's Benefit</b>	\$2,940	\$245
<b>Medical Expenses</b> on qualifying medical expenses exceeding the lessor of 3% of net income or	\$2,302	\$2,444	<b>Death Benefit</b> (lump sum)	\$2,500	
			<b>EI - 55% of insured earnings, max. \$51,700</b>		\$2370



TFSA AMOUNT	RRSP LIMIT	ALBERTA FAMILY EMPLOYMENT TAX CREDIT (AFETC) <sup>4</sup>	PROBATE FEES																		
<ul style="list-style-type: none"> <li>• 2018 TFSA Amount is <b>\$5,500</b></li> </ul> <p><b>Historical Contributions:</b>            2017 - \$5,500            2016 - \$5,500            2015 - \$10,000            2014 - \$5,500            2013 - \$5,500            2012 - \$5,000            2011 - \$5,000            2010 - \$5,000            2009 - <u>\$5,000</u>  <b>\$57,500 for 2018</b></p>	<ul style="list-style-type: none"> <li>• 2018 RRSP limit is 18% of your 2017 "Earned Income" to a maximum of <b>\$26,230</b> (plus unused amounts from prior years).</li> </ul>	<ul style="list-style-type: none"> <li>• The tax credit is 11% of family working income above <b>\$2,760</b>, up to the maximum benefit amount; credit starts to phase out at <b>\$41,786</b>. The credit is reduced by 4% of family net income in excess of the threshold.</li> </ul> <table border="1"> <tr> <td>1 child</td> <td>\$773</td> </tr> <tr> <td>2 children</td> <td>\$1,476</td> </tr> <tr> <td>3 children</td> <td>\$1,898</td> </tr> <tr> <td>4 or more children</td> <td>\$2,038</td> </tr> </table>	1 child	\$773	2 children	\$1,476	3 children	\$1,898	4 or more children	\$2,038	<ul style="list-style-type: none"> <li>• Where the net value of property in Alberta subject to probate is:</li> </ul> <table border="1"> <tr> <td>Under \$10,000</td> <td>\$35</td> </tr> <tr> <td>\$10,001 - \$25,000</td> <td>\$135</td> </tr> <tr> <td>\$25,001 - \$125,000</td> <td>\$275</td> </tr> <tr> <td>\$125,001 - \$250,000</td> <td>\$400</td> </tr> <tr> <td>Over \$250,000</td> <td>\$525</td> </tr> </table>	Under \$10,000	\$35	\$10,001 - \$25,000	\$135	\$25,001 - \$125,000	\$275	\$125,001 - \$250,000	\$400	Over \$250,000	\$525
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AGE CREDIT CLAWBACK	OAS CLAWBACK <sup>5</sup>	WITHHOLDING TAX RATES FOR RRSP & RRIF WITHDRAWALS	YEARLY MAXIMUM PENSIONABLE EARNINGS																		
<ul style="list-style-type: none"> <li>• This credit is reduced by 15% of net income over <b>\$36,976</b> (Fed) and <b>\$39,238</b> (AB) and it is totally eliminated once you reach net income of <b>\$85,863</b> (Fed) and <b>\$74,378</b> (AB).</li> </ul>	<ul style="list-style-type: none"> <li>• Clawback rate is 15% of net income over <b>\$75,910</b>; benefit is totally eliminated when net income exceeds <b>\$122,843</b>.</li> </ul>	Under \$5,000 = 10% \$5,001 to \$15,000 = 20% Over \$15,000 = 30%	<ul style="list-style-type: none"> <li>• For the year 2018 = <b>\$55,900</b></li> </ul>																		

FEDERAL CORPORATE INCOME TAX RATES <sup>6</sup>	ALBERTA CORPORATE INCOME TAX RATES <sup>6</sup>
<ul style="list-style-type: none"> <li>• First \$500,000 for Small Business<sup>7</sup>: 10.0%</li> <li>• Active Business Income<sup>8</sup>: 15.0%</li> <li>• Investment Income: 38.7%</li> </ul>	<ul style="list-style-type: none"> <li>• First \$500,000 for Small Business<sup>7</sup>: 12.0%</li> <li>• Active Business Income<sup>8</sup>: 27.0%</li> <li>• Investment Income: 50.7%</li> </ul>

Notes: 1 - Combined Federal & Provincial (AB) Taxes; 2 - Marginal tax rate for capital gains is a % of total capital gains (not taxable capital gains); 3 - Marginal tax rate for dividends is a % of actual dividends received (not grossed-up amount); 4 - For the period of July 2017 to June 2018; 5 - For the income year of 2018 with the recovery tax period of July 2019 to June 2020; 6 - The federal and provincial tax rates shown apply to income earned by a Canadian-controlled private corporate (CCPC). In general, a corporation is a CCPC if the corporate is a private corporation and a Canadian corporation, provided it is not controlled by one or more non-resident persons, by a public corporation, by a corporation with a class of shares listed on a designated stock exchange, or by any combination of these, and provided it does not have a class of shares listed on a designated stock exchange; 7 - The small business deduction (SBD) applies to the first \$500,000 of active business income of Canadian-controlled private corporations (CCPCs), or associated groups of CCPCs; 8 - The general corporate tax rate applies to active business income earned in excess of \$500,000.

The Government of Canada website, <https://www.canada.ca/en.html>, provides complete and detailed information regarding all tax information. You can find more information about Canadian benefits from [www.canadabenefits.gc.ca](http://www.canadabenefits.gc.ca). This site also provides calculators to assist you in determining the benefits that may be available to you. You can also obtain further information about OAS and CPP from this website: <https://www.canada.ca/en/services/benefits/publicpensions.html>.

KPMG, Corporate Tax Rates, <https://home.kpmg.com/content/dam/kpmg/ca/pdf/2018/01/federal-and-provincial-territorial-tax-rates-for-income-earned-by-a-ccpc-2018.pdf>

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