

ALITIS

INVESTMENT COUNSEL

2018 BC Personal Tax Rates¹

TAXABLE INCOME	PENSIONS, RRIFs, WAGES OR INTEREST	CAPITAL GAINS ²	ELIGIBLE DIVIDENDS ³	NON-ELIGIBLE DIVIDENDS
\$0 - \$11,809	-	-	-	-
\$11,810 - \$39,676	20.06%	10.03%	-6.84%	9.23%
\$39,677 - \$46,605	22.70%	11.35%	-3.20%	12.30%
\$46,606 - \$79,353	28.20%	14.10%	4.39%	18.68%
\$79,354 - \$91,107	31.00%	15.50%	8.25%	21.93%
\$91,108 - \$93,208	32.79%	16.40%	10.72%	24.00%
\$93,209 - \$110,630	38.29%	19.15%	18.31%	30.38%
\$110,631 - \$144,489	40.70%	20.35%	21.64%	33.18%
\$144,490 - \$150,000	43.70%	21.85%	25.78%	36.66%
\$150,001 - \$205,842	45.80%	22.90%	28.68%	39.09%
Over \$205,842	49.80%	24.90%	34.20%	43.73%

	PERSONAL TAX CREDITS		GOVERNMENT BENEFITS		
	FEDERAL	PROVINCIAL		ANNUAL	MONTHLY
Basic	\$11,809	\$10,412	CPP (at 65) – max.	\$13,608	\$1,134
Spouse or Common-Law Partner	\$11,809	\$8,915	(at 60) 64% of max.	\$8,710	\$726
Caregiver (Infirm dependent under 18)	\$2,182	\$0	(If you are under 65 working and receiving CPP, you and your employer must make CPP contributions)		
Caregiver (Infirm dependent over 18)	\$6,986	\$0			
Caregiver (65 & over)	\$0	\$4,556	OAS (at 65) – max.	\$7,044	\$587
Age credit (65 & over) – Every \$1 earned over threshold increases tax rate by 3%	\$7,333	\$4,669	GIS – max. (single pensioner)	\$10,512	\$876
Pension Income	\$2,000	\$1,000	Allowance – max.	\$13,368	\$1,114
Tuition & Education - Full-time		\$200/mo	CPP Disability	\$16,032	\$1,336
Tuition & Education - Part-time		\$60/mo	CPP Survivor's Pension:		
Disability Amount	\$8,235	\$7,809	Younger than 65	\$7,380	\$615
Charitable Donations	1st \$200 Over \$200	15.00% 29.00%	65 or older	\$8,172	\$681
First-Time Donor Super Credit	1st \$200 Over \$200	40.00% 54.00%	Orphan's Benefit	\$2,940	\$245
Medical Expenses on qualifying medical expenses exceeding the lessor of 3% of net income or	\$2,302	\$2,164	Death Benefit (lump sum)	\$2,500	
			EI - 55% of insured earnings, max. \$51,700		\$2370



TFSA AMOUNT	RRSP LIMIT	WITHHOLDING TAX RATES FOR RRSP & RRIF WITHDRAWALS	FAIR PHARMACARE
<ul style="list-style-type: none"> 2018 TFSA Amount is \$5,500 <p>Historical Contributions: 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 - \$5,000 \$57,500 for 2018</p>	<ul style="list-style-type: none"> 2018 RRSP limit is 18% of your 2017 "Earned Income" to a maximum of \$26,230 (plus unused amounts from prior years). 	Less than \$5,000 = 10% \$5,001 to \$15,000 = 20% Over \$15,000 = 30%	Based on family net income. <\$15K – no deductible, max amount 2% of net income <\$30K – deductible is 2% of net income, max amount is 3% of net income > \$30K – deductible is 3% of net income, max amount is 4% of net income Pharmacare pays 70% of cost over deductible until family maximum is reached. Costs over maximum are 100% covered by Pharmacare.
AGE CREDIT CLAWBACK	OAS CLAWBACK ⁴	PROBATE FEES	YEARLY MAXIMUM PENSIONABLE EARNINGS
<ul style="list-style-type: none"> This credit is reduced by 15% of net income over \$36,976 (Fed) and \$34,757 (BC) and it is totally eliminated once you reach net income of \$85,863 (Fed) and \$65,884 (BC). 	<ul style="list-style-type: none"> Clawback rate is 15% of net income over \$75,910; benefit is totally eliminated when net income exceeds \$122,843. 	<ul style="list-style-type: none"> \$200 + 0.6% of portion over \$25,000 up to \$50,000 \$200 + 1.4% of portion over \$50,000 	<ul style="list-style-type: none"> For the year 2018 = \$55,900

FEDERAL CORPORATE INCOME TAX RATES ⁵	BC CORPORATE INCOME TAX RATES ⁵
<ul style="list-style-type: none"> First \$500,000 for Small Business⁶: 10.0% Active Business Income⁷: 15.0% Investment Income⁸: 38.7% 	<ul style="list-style-type: none"> First \$500,000 for Small Business⁶: 12.0% Active Business Income⁷: 27.0% Investment Income⁸: 50.7%

Notes: 1 - Combined Federal & Provincial (BC) 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 income year of 2018 with the recovery tax period of July 2019 - June 2020; 5 - 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; 6 - 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; 7 - The general corporate tax rate applies to active business income earned in excess of \$500,000; 8 - The federal and provincial tax rates shown in the tables apply to investment income earned by a CCPC, other than capital gains and dividends received from Canadian corporations. The rates that apply to capital gains are one-half of the rates shown. Dividends received from Canadian corporations are deductible in computing regular Part I tax, but may be subject to Part IV tax, calculated at a rate of 38 1/3%.

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. 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/cal/pdf/2018/01/federal-and-provincial-territorial-tax-rates-for-income-earned-by-a-ccpc-2018.pdf>

This handout is provided for information purposes only. The content is believed to be from reliable sources but cannot be guaranteed. No Alitis employee, officer or director or persons affiliated with the Alitis companies accepts any liability whatsoever for any errors or omissions in the information, analysis or opinions contained in this handout, nor for any direct, indirect or consequential damages or losses arising from any use of this handout or its contents.

© 2018 Alitis Investment Counsel Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure, in whole or in part, or in any form or manner, without the prior written permission of Alitis Investment Counsel Inc. is prohibited by law.

