

# THE NAVIGATOR

## 2016 HANDY FINANCIAL PLANNING FACTS

The following is a summary of some common financial planning-related information that you can use as a handy reference. Any values noted below are for 2016 unless stated otherwise.

### RETIREMENT

Maximum CPP/QPP benefit at age 65	\$1,092.50 per month
Maximum CPP/QPP benefit at age 60	\$699.20 per month (36% max reduction or 0.60% per month)
Maximum CPP/QPP at age 70	\$1,551.35 per month (42% max increase or 0.7%/month)
Maximum CPP/QPP contributions employer and employee	CPP \$2,544.30 each annually QPP \$2,737.05 each annually
Maximum CPP/QPP contributions self-employed	CPP \$5,088.60 annually QPP \$5,474.10 annually
YMPE — Yearly Maximum Pensionable Earnings	\$54,900
Maximum OAS benefit for Q1	\$570.52 per month
OAS clawback rate	\$0.15 for every \$1 of net income above \$73,756; the full OAS is eliminated at a net income of \$119,398
CANSIM rate	2.17%
RRSP — maximum annual deduction limit	\$24,930 for 2015 \$25,370 for 2016
RRSP — withholding tax on withdrawals by a resident of Quebec/rest of Canada respectively	21%/10% for amounts up to \$5,000 26%/20% for amounts over \$5,000 up to \$15,000 31%/30% for amounts over \$15,000
TFSA contribution room created on Jan. 1st	\$5,000 each year 2009 – 2012 \$5,500 each year 2013 – 2014 \$10,000 for 2015 \$5,500 for 2016
TFSA maximum room since inception	\$46,500 from 2009-2016

### IPP

Maximum T4 earnings required in order to contribute the maximum to an IPP for the year.	\$140,945 for 2015 \$144,500 for 2016
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<b>EDUCATION</b>													
Maximum annual RESP contribution	Unlimited annual contribution up to lifetime maximum of \$50,000 per beneficiary												
Maximum Annual RESP contribution for maximum CESG	20% of first \$2,500 per beneficiary = CESG up to \$500. <b>Plus</b> 20% of next \$2,500 per beneficiary if carry forward room is available = additional CESG up to \$500. Maximum annual CESG = \$1,000/year/beneficiary												
<b>TAX</b>													
El — maximum annual premium	\$955.04 (\$772.16 in Quebec due to separate maternity and parental benefits)												
El — insured earnings	\$50,800												
Federal basic personal tax exemption	\$11,474 (base) \$1,721 (credit)												
Federal tax brackets and rates based on taxable income	<table border="1"> <thead> <tr> <th>Taxable income</th> <th>Federal rate</th> </tr> </thead> <tbody> <tr> <td>Up to \$45,282</td> <td>15%</td> </tr> <tr> <td>Over \$45,282 up to \$90,563</td> <td>20.5%</td> </tr> <tr> <td>Over \$90,563 up to \$140,388</td> <td>26%</td> </tr> <tr> <td>Over \$140,388 up to \$200,000</td> <td>29%</td> </tr> <tr> <td>Over \$200,000</td> <td>33%</td> </tr> </tbody> </table>	Taxable income	Federal rate	Up to \$45,282	15%	Over \$45,282 up to \$90,563	20.5%	Over \$90,563 up to \$140,388	26%	Over \$140,388 up to \$200,000	29%	Over \$200,000	33%
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Eligible dividends (most public companies)	Gross up is 38%; taxable amount is 138% Federal tax credit is 15.0198% of taxable dividend												
Other than eligible dividends	Gross up is 17%; taxable amount is 117%. Federal tax credit is 10.52% of taxable dividend.												
Lifetime Capital Gains Exemption (LCGE) for qualified small business corporation shares	\$813,600 for 2015 \$824,176 for 2016												
LCGE for qualified farm or fishing property	\$1,000,000 for 2016												
Personal tax calculator website	<a href="http://www.ey.com/ca/en/services/tax/tax-calculators">http://www.ey.com/ca/en/services/tax/tax-calculators</a>												
<b>AUTOMOBILE</b>													
Allowable lease amount	\$800/month maximum												
Purchase capital cost ceiling for passenger vehicles	\$30,000 maximum												
Allowable interest deduction	\$300/month maximum												
Tax-exempt allowances paid by the employer to the employee (based on the distance traveled in their personal automobile for business purposes)	First 5,000 kms – 54 cents (58 cents for territories) Additional kms – 48 cents (52 cents for territories)												
Prescribed taxable benefit for personal use of an employer's automobile	26 cents per km 23 cents per km for auto salespersons												
<b>US LIMITS</b>													
US Estate Tax exemption	\$5,450,000 USD												
US Gift Tax exemption – Non-US Spouse	\$148,000 USD												
US Gift Tax exemption – Children/Others	\$14,000 USD												
<b>GOVERNMENT LINKS</b>													
Canada Revenue Agency website	<a href="http://www.cra-arc.gc.ca/menu-e.html">www.cra-arc.gc.ca/menu-e.html</a>												
Canada Revenue Agency General Help Line	1-800-959-8281												
Phone number for CPP/OAS queries	1-800-277-9914 <a href="http://www.servicecanada.gc.ca/eng/common/contactus/index.shtml#cpp">http://www.servicecanada.gc.ca/eng/common/contactus/index.shtml#cpp</a>												
Phone number for QPP queries	Régie des rentes: 1-800-463-5185 <a href="http://www.rrq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx">http://www.rrq.gouv.qc.ca/en/services/nous_joinre/Pages/nous_joinre.aspx</a>												

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