

**RRSP & TFSA Contribution Limits**

RRSP contribution limit - 18% of previous year's earned income to a maximum of:	2016 - \$25,370
	2017 - \$26,010
	2018 - Indexed to average wage growth
TFSA contribution limit	2016 - \$5,500
	2017 - \$5,500*

\*Subject to possible \$500 increase due to indexing.

**Withholding Tax Rates for RRSP and RRIF\* Withdrawals**

Amount	Quebec	All Other Provinces
Up to \$5,000	21%	10%
\$5,001 - \$15,000	26%	20%
Over \$15,000	31%	30%

\*On amounts over the annual minimum payment.

**RRIF Minimum Withdrawals**

Fair market value of RRIF on December 31 of previous year multiplied by prescribed factors below					
Age	%	Age	%	Age	%
60	3.33	72	5.40	84	8.08
61	3.45	73	5.53	85	8.51
62	3.57	74	5.67	86	8.99
63	3.70	75	5.82	87	9.55
64	3.85	76	5.98	88	10.21
65	4.00	77	6.17	89	10.99
66	4.17	78	6.36	90	11.92
67	4.35	79	6.58	91	13.06
68	4.55	80	6.82	92	14.49
69	4.76	81	7.08	93	16.34
70	5.00	82	7.38	94	18.79
71	5.28	83	7.71	95+	20.00

**Government Pensions & Allowances**

	CPP & QPP	OAS	GIS	Allowances
<b>Eligibility</b>	Employees & self-employed	Canadian citizens & residents	Low income OAS recipients	Spouse of OAS recipients widows & widowers
<b>Maximum Pension (approx.)</b>	\$13,110/yr \$1,092.50/mth	\$6,846.24/yr \$570.52/mth	Single: \$9,283.20/yr Spouse: \$6,155.52/yr	Spouse: \$13,001.76/yr Survivor: \$14,556/yr
<b>Taxable</b>	Yes	Yes	No	No
<b>Indexed for inflation</b>	Yes, adjusted annually	Yes, adjusted quarterly	Yes, adjusted quarterly	Yes, adjusted quarterly
<b>Full Benefit Age</b>	65	65	65	Paid only if 60-64
<b>Earliest Eligibility</b>	60 with benefit reduced	65	65	Paid only if 60-65
<b>Clawback</b>	No	Yes	Yes	Yes
<b>Payable Outside Canada</b>	Yes	Under certain conditions	6 months maximum	6 months maximum

Source: Service Canada: CPP/OAS Quarterly Report - Rates and Related Figures for January 2016. Visit servicecanada.gc.ca for updated figures.

**Clawback or Income Level Cut-off**

Type of Benefits	Clawback/Cut-off
OAS	Clawback when net income is between \$73,756 to \$119,398
	OAS clawback is equal to 15% of the amount by which your net income (including OAS) exceeds \$73,756
	Full repayment of OAS when net income is above \$119,398
GIS	Single: cut-off at \$17,304
	Spouse/common-law partner of someone who:
	- does not receive an OAS pension: cut-off at \$41,472 (combined income)
	- receives the full OAS pension: cut-off at \$22,848 (combined income)
	- is an Allowance recipient: cut-off at \$41,472 (combined income)
<b>Allowance</b>	Cut-off at \$32,016 (combined income)
<b>Allowance for Survivor</b>	Cut-off at \$23,328 (individual income)

Source: Service Canada: CPP/OAS Quarterly Report - Rates and Related Figures for January 2016. Visit servicecanada.gc.ca for updated figures.

**Canada Pension Plan & Quebec Pension Plan**

Type of Benefit	CPP monthly maximum amount, 2016	QPP monthly maximum amount, 2016
Retirement (at age 65)	\$1,092.50	\$1,092.50
Post-retirement benefit (CPP) (at age 65)	\$27.31	n/a
Retirement pension supplement (QPP)	n/a	\$20.88
Disability	\$1,290.81	\$1,290.78
Survivor - younger than 65	\$593.62	(see Note 1)
Survivor - 65 and older	\$655.50	\$655.50
Children of disabled contributor	\$237.69	\$75.46
Children of deceased contributor	\$237.69	\$237.69
Death (maximum one-time payment)	\$2,500.00	\$2,500.00
Combined Benefits		
Survivor/retirement (retirement at 65)	\$1,092.50	\$1,092.50
Survivor / disability	\$1,290.81	Not applicable
Note 1: QPP Survivor Benefit - Younger than 45		
Not disabled, no child		\$120.73
Not disabled, with child		\$437.70
Disabled		\$471.40
QPP survivors - age 45 to 64		\$471.40

Source: Service Canada: CPP/OAS Quarterly Report - Rates and Related Figures for January 2016. Visit servicecanada.gc.ca for updated figures.

**RRSP Overcontribution Rules**

- A monthly penalty tax of 1% is applied to RRSP contributions made in excess of the maximum contribution limits.
- If an individual is over the age of 18, they are entitled to a cumulative overcontribution limit of \$2,000 to an RRSP before the penalty tax is applied.

**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 2016 withdrawal, the contributor declares income if contributions were made to any Spousal RRSP in 2014, 2015 or 2016.
- 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.

**Important Dates**

**RESP Contribution Deadline**  
Friday, December 30, 2016  
**RRSP Contribution Deadline for 2016 tax year**  
Wednesday, March 1, 2017  
**Family Loan Interest Deadline for Previous Year**  
January 30, 2017  
**Last Trade Date for Canadian Stocks**  
Friday, December 23, 2016

**Last Trade Date for U.S. Stocks**  
Tuesday, December 27, 2016  
**Self-employed Business Tax Filing Deadline**  
Wednesday, June 15, 2016  
**Individual Tax Filing Deadline**  
Monday, May 2, 2016

**Quarterly Deadlines - Personal Tax Installments**  
March 15, 2016,  
June 15, 2016,  
September 15, 2016,  
December 15, 2016

**Important 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%
  - Additional CESG rate on the first \$500 or less of RESP contributions made in respect of a beneficiary, based on the adjusted family net income of the beneficiary's primary caregiver .....10% or 20%
  - CESG annual limit per beneficiary\* .....\$500
- \* In the case of unused CESG room, catch-up payments eligible for grant subject to:  
(i) Lifetime \$7,200 limit, and (ii) Annual limit of \$1,000.

## 2016 Top Marginal Personal Tax Rates<sup>1</sup> (Combined Federal and Provincial Tax Rates)

	Interest/Foreign Dividends	Capital Gains	Eligible Dividends	Non-eligible Dividends
Alberta	48.00%	24.00%	31.71%	40.25%
British Columbia	47.70%	23.85%	31.30%	40.61%
Manitoba	50.40%	25.20%	37.78%	45.69%
New Brunswick	58.75%	29.38%	43.79%	51.75%
Newfoundland & Labrador	48.30%	24.15%	38.47%	39.40%
NWT	47.05%	23.53%	28.33%	35.72%
Nova Scotia	54.00%	27.00%	41.58%	46.97%
Nunavut	44.50%	22.25%	33.08%	36.35%
Ontario	53.53%	26.76%	39.34%	45.30%
PEI	51.37%	25.69%	34.22%	43.87%
Quebec	53.31%	26.65%	39.83%	43.84%
Saskatchewan	48.00%	24.00%	30.33%	40.06%
Yukon	48.00%	24.00%	24.81%	40.18%

<sup>1</sup>This table shows the 2016 top combined marginal tax rates by province (updated to reflect the new 33% top federal tax bracket). The rates apply to taxable incomes over \$200,000 except that the thresholds are \$220,000 in Ontario, \$250,000 in New Brunswick, \$300,000 in Alberta and \$500,000 in Yukon (based on 2015 provincial brackets which may be indexed for 2016). **Note: The rates do not reflect potential changes that the provinces may introduce to their 2016 provincial tax rates in light of the federal tax rate changes announced.**

## Probate Fees (For Estates Over \$50,000)

Fee Schedule (Estates over \$50,000) <sup>*</sup>	
Alberta	\$275 to \$525
British Columbia	\$350 + 1.4% of portion >\$50,000
Manitoba	\$70 + 0.7% of portion >\$10,000
New Brunswick	0.5% of estate
Newfoundland & Labrador	\$90 + 0.5% of portion >\$1,000
NWT	\$200 to \$400
Nova Scotia	\$1,003 + 1.695% of portion >\$100,000
Nunavut	\$200 to \$400
Ontario	\$250 + 1.5% of portion >\$50,000
Prince Edward Island	\$400 + 0.4% of portion >\$100,000
Quebec	Nominal fee <sup>**</sup>
Saskatchewan	0.7% of estate
Yukon	\$140

<sup>\*</sup> For some provinces and territories, different rates may apply to smaller estates (less than \$50,000).

<sup>\*\*</sup> Although Quebec does not levy probate fees, Wills (other than notarial Wills) must be authenticated by the Superior Court of Quebec. A nominal fee applies.



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## 2016 Canadian Controlled Private Corporations (CCPC) Rates<sup>1</sup> (Combined Federal & Provincial/Territorial Tax Rates effective January 1, 2016)

Jurisdiction	Active Business Income		Investment Income
	Active business income to \$500K (%)	Greater than 500K (%)	(%)
Federal	10.5	15.0	38.7
Alberta	13.5	27.0	50.7
British Columbia	13.0	26.0	49.7
Manitoba <sup>2</sup>	10.5/22.5	27.0	50.7
New Brunswick	14.5	27.0	50.7
Newfoundland & Labrador	13.5	29.0	52.7
NWT	14.5	26.5	50.2
Nova Scotia <sup>3</sup>	13.5/26.5	31.0	54.7
Nunavut	14.5	27.0	50.7
Ontario	15.0	26.5	50.2
Prince Edward Island	15.0	31.0	54.7
Quebec <sup>4</sup>	18.5	26.9	50.6
Saskatchewan	12.5	27.0	50.7
Yukon	13.5	30.0	53.7

<sup>1</sup> The 2016 corporate tax rates are based on the proposed 2015 federal budget changes, and are still subject to implementation. 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. The 2015 Federal Budget has proposed a 2% reduction in the federal SBD rates from the current 2015 rate of 11% to 9% to be phased in from 2016 to 2019. Similarly, the provinces and territories offer reduced rates, generally up to the first \$500,000 of active business income. <sup>2</sup> Manitoba increased the small business income threshold to \$450,000 (from \$425,000) effective January 1, 2016. Income greater than this threshold is subject to Manitoba's general income tax rate of 12%. <sup>3</sup> Nova Scotia's small business income threshold is \$350,000. Income greater than this threshold is subject to Nova Scotia's general income tax rate of 16%. <sup>4</sup> Quebec residents should take note that the 2015 Quebec budget has proposed reduced eligibility to the provincial SBD, notably for corporations which are not in the primary or manufacturing sectors, unless the corporation employs more than 3 full-time employees throughout the year, effective for taxation years beginning after December 31, 2016.

## U.S. Taxes

U.S. Estate Tax	2016 <sup>*</sup>
Exclusion Amounts (applicable to U.S. citizens)	\$5.45M
Unified Credit Amount Available to U.S. Citizens	\$2,125,800
Highest U.S. Estate Tax Rate	40%

<sup>\*</sup> Canadian resident (non U.S. citizen) will have a potential U.S. estate tax liability if U.S. assets > USD \$60,000 and worldwide assets > USD \$5.45M

U.S. Source Payments	U.S. Income Tax Withheld <sup>*</sup>
Interest	Generally exempt
Dividends Paid On U.S. Securities held inside an RRSP/RRIF/LIRA/LIF/LRIF	Exempt
Dividends Paid On U.S. Securities Held Outside RRSP/RRIF (e.g. TFSA, RESP, Non-registered accounts)	Generally 15%

<sup>\*</sup> per Canada-U.S. Tax Treaty

## Attribution Rules

Recipient	Gift	No or Low Interest Loan	Prescribed Rate Loan
Spouse or Partner			
Interest & dividends	Attributed to giftor	Attributed to lender	No attribution
Capital gains	Attributed to giftor	Attributed to lender	No attribution
2 <sup>nd</sup> generation income	No attribution	No attribution	No attribution
Child under 18			
Interest & dividends	Attributed to giftor	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

## 2016 Key Non-Refundable Federal Tax Credits

Personal Tax Credits as Percentage of Base Amounts		
Tax Credit	Percentage Value	
Charitable donations	First \$200	15%
	Amount over \$200 <sup>*</sup>	29% or 33%
Dividend tax credit (on grossed-up amount)	Eligible	15.02%
	Non-eligible	10.5%

<sup>\*</sup> As part of the motion tabled on December 7, 2015 the government proposes to amend the calculation of the federal charitable donation tax credit to allow higher income donors to claim a 33% federal tax credit, but only on the portion of donations made from income that is subject to the new 33% top marginal tax rate. However, top rate taxpayers should note that this 33% donation tax credit rate is only available for donations made after 2015 and will not be available for donations carried forward from a prior year to 2016 or thereafter.

Federal Amounts		
Tax Credit	Dollar Value	
Basic/Spouse/Partner	\$11,474	
Age 65	\$7,125	
Disability	Basic	\$8,001
	Under 18 supplement	\$4,667
Infirm dependent amount (maximum per dependent)	\$6,788	
Caregiver amount (maximum per dependent)	\$4,667	
Family caregiver amount for children under age 18	\$2,121	

## \$824,176 Capital Gains Exemption on Qualifying Small Business Corporation Shares (General Rules)

- Small Business Corporation: substantially all (90% or more) of the Canadian-controlled private corporation's assets must be used in carrying on an active business in Canada.
- Only business share owner or "related" person can have owned shares for 24-month period prior to shares being sold.
- Throughout the 24-month period prior to sale of shares, more than 50% of corporation's assets must have been used principally in an active business carried on in Canada.