

2016 Personal Tax and Financial Planning Guide

This personal tax and financial planning guide is intended to provide you with useful tax facts and planning information that may help you with your 2016 tax planning. We encourage you to seek qualified tax planning advice prior to implementing any tax planning strategies, to ensure you are following the options appropriate to your unique circumstances.

Major Canadian Tax Deadlines & Dates

January 2016

Jan. 30 If you loan money to your spouse/common-law partner or family member at the prescribed interest rate, the interest must be paid back annually by January 30 of the following year to avoid attribution rules.

February 2016

Feb. 29 Deadline for making Home Buyer's Plan (HBP) and Lifelong Learning Plan (LLP) repayments.

Feb. 29 Last day for making deductible contributions to a registered Retirement Savings Plan (RSP) or a spousal RSP for 2015.

March 2016

Mar. 15 First quarterly tax instalment payment due for 2016 taxation year. Remainder instalment payments for 2016 are due on June 15, September 15, and December 15.

May 2016

May 2 Filing deadline: 2015 personal tax return & balance owing to avoid paying interest & late filing penalty.

June 2016

Jun. 15 Deadline for filing the 2015 tax return for self-employed persons (including spouse or common-law partner). However, balance owing for 2015 is still on or before May 2, 2016.

December 2016

Dec. 23 For **disposition of investments to realize accrued capital gains or losses** in 2016, ensure the settlement date (not the trade date) is **on or before December 31, 2016**. Consult your broker. For the Canadian securities market, ensure the sale is initiated **on or before December 23, 2016**.

Dec. 31 Final payment date for amounts that may be claimed as 2016 **tax credit or deduction**.

Dec. 31 Registered Disability Savings Plan (RDSP) and Registered Education Savings Plan (RESP) contribution deadline to benefit from the 2016 grants and bonds.

Dec. 31 Final date for 2016 charitable contributions.

Due date for a final return

Where an individual dies between January 1 and October 31 (inclusive), the due date for the final personal income tax return is April 30 of the following year. If a person dies between November 1 and December 31 (inclusive), the due date for the final personal income tax return is six months after the date of death. Exceptions to due dates apply if the deceased or the deceased's surviving spouse/common-law partner carried on a business in 2015.

Note: when a tax payment or filing due date falls on a Saturday, Sunday or public holiday, payment must be received by the Canada Revenue Agency or be postmarked by the next business day.



2016 Tax Planning Tips & Reminders

Tax Loss Selling: Consider selling unprofitable securities and using the realized losses to offset capital gains realized in the current year.

Capital losses in excess of capital gains in a given year may be carried back for three years or carried forward indefinitely.

Note that in order to claim a capital loss on the disposition of a security, you should make sure that the loss is not a superficial loss⁽¹⁾.

Pension Income Splitting: Consider allocating up to 50% of *eligible pension income*⁽¹⁾ with your resident spouse/common-law partner for income tax purposes.

Other income splitting opportunities may include:

- Making contributions to a spousal RSP.
- Paying a reasonable salary from a family business to family members for actual services rendered.
- Gifting cash to your spouse/common-law partner and/or adult children to contribute to a tax-free savings account (TFSA).
- Investing Child Tax Benefit and Universal Child Care Benefit payments in an account for your children.
- In order to maximize the spousal tax credit, consider electing to transfer taxable Canadian dividends to a spouse/common-law partner.

Maximize Your Tax Credits and Deductions

Take advantage of all available tax deductions and credits available to you to reduce your personal and household tax bills. For example:

- | | |
|--|---------------------------------|
| ■ Annual union, professional or like dues | ■ Medical expenses |
| ■ Child care expenses, children's fitness and arts amounts | ■ Public transit passes |
| ■ Charitable donations | ■ Tuition and education amounts |
| ■ Foreign tax credits | ■ Pension income amount |
| ■ Investment counsel fees and interest expenses | |

2015-2016 Tax Facts and Figures

Federal Tax Brackets (2015 & 2016)

Taxable Income	2015 Tax Rate	Taxable Income	2016 Tax Rate
Up to \$44,701	15%	Up to \$45,282	15%
\$44,702 - \$89,401	22%	\$45,283 - \$90,563	22%
\$89,402 - \$138,586	26%	\$90,564 - \$140,388	26%
Over \$138,586	29%	\$140,389-\$200,000	29%
		Over \$200,000	33%

Amounts Used in Federal Tax Credit

Personal Amounts	2015	2016
Basic Personal Amount	\$11,327	\$11,474
Age Amount (65 & older)	\$7,033	\$7,125
Net Income Threshold	\$35,466	\$35,927
Spouse or Common-Law Partner Amount (max.)	\$11,327	\$11,474
Eligible Dependents (max.)	\$11,327	\$11,474
Infirm Dependent (max. per dependent)	\$6,700	\$6,788
Net Income Threshold	\$6,720	\$6,807
Caregiver (max. per dependent eligible for the family caregiver amount)	\$6,701	\$6,788
Net Income Threshold	\$15,735	\$15,940
Disability Amount	\$7,899	\$8,001

Source: Canada Revenue Agency

Registered Plans: Contribution Limits

Retirement Plans	2015	2016
Registered Retirement Savings Plans (RSP)		
Dollar Limit ⁽²⁾	\$24,930	\$25,370
Money Purchase Registered Pension Plans (MP RPP)		
Contribution Limit ⁽³⁾⁽⁵⁾	\$25,370	\$26,010
Deferred Profit Sharing Plans (DPSP)		
Contribution Limit ⁽⁴⁾⁽⁵⁾	\$12,685	\$13,005
Other Plans	2015	2016
Tax Free Savings Account (TFSA)		
Contribution Limit ⁽⁶⁾	\$10,000	\$5,500
Registered Education Savings Plan (RESP)		
Lifetime Contribution Limit	\$50,000	\$50,000
Registered Disability Savings Plan (RDSP)		
Lifetime Contribution Limit	\$200,000	\$200,000

2016 Personal Tax and Financial Planning Guide

Canada Pension Plan & Quebec Pension Plan

	2015 CPP	2016 CPP	2015 QPP	2016 QPP
Max. Annual Pensionable Earnings	\$53,600	\$54,900	\$53,600	\$54,900
Basic Exemption	\$3,500	\$3,500	\$3,500	\$3,500
Max. Contributory Earnings	\$50,100	\$51,400	\$50,100	\$51,400
Employee Contribution Rate	4.95%	4.95%	5.25%	5.325%
Max. Annual Employee Contribution	\$2,479.95	\$2,544.30	\$2,630.25	\$2,737.05
Max. Annual Self-Employed Contributions	\$4,959.90	\$5,088.60	\$5,260.50	\$5,474.10

Source: Canada Revenue Agency

⁽¹⁾ For details, please visit www.cra-arc.gc.ca

⁽²⁾ An individual's contribution room is calculated as the lesser of 18% of earned income from the previous year and the current year's dollar limit (the dollar limit is indicated in the above table) plus unused RSP contribution room carried forward from the previous year. RSP contribution room may be reduced by pension adjustments (PA) and Past Service Pension Adjustments (PSPA), and increased by Pension Adjustment Reversals (PAR).

⁽³⁾ Annual contributions to a MP RPP are limited to the lesser of 18% earned income from the current year and the contribution limit for the year. The contribution limit is indicated in the table above.

⁽⁴⁾ Annual contributions to a DPSP are limited to the lesser of 18% of earned income and the contribution limit for the year. The contribution limit is indicated in the table above.

⁽⁵⁾ MP RPP and DPSP limits for pension adjustment purposes are also restricted to 18% of earned income.

⁽⁶⁾ An individual's TFSA contribution room is calculated as the current year's contribution limit (the contribution limit is indicated in the above table) plus unused TFSA contribution room carried forward from the previous year plus the total amount of TFSA withdrawals made in the preceding year.

TD Wealth offers assistance with personal, estate, trust and corporate tax planning and return preparation. To find out more about our tax planning and preparation services, contact your TD Wealth advisor today.



The information contained herein has been provided by TD Wealth and is for information purposes only. The information has been drawn from sources believed to be reliable. Where such statements are based in whole or in part on information provided by third parties, they are not guaranteed to be accurate or complete. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any investment. The information does not provide financial, legal, tax or investment advice. Particular investment, trading or tax strategies should be evaluated relative to each individual's objectives and risk tolerance.

TD Wealth, The Toronto-Dominion Bank and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered.

TD Wealth represents the products and services offered by TD Waterhouse Canada Inc. (Member – Canadian Investor Protection Fund), TD Waterhouse Private Investment Counsel Inc., TD Wealth Private Banking (offered by The Toronto-Dominion Bank) and TD Wealth Private Trust (offered by The Canada Trust Company).

© The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.

Revised 02/11/2016