

2014-2015 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 2014-2015 tax planning. We encourage you to consider seeking 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 2015

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.

March 2015

Mar. 2 Deadline for making Home Buyer's Plan (HBP) and Lifelong Learning Plan (LLP) repayments.

Mar. 2 Last day for making deductible contributions to a registered Retirement Savings Plan (RSP) or a spousal RSP for 2014.

Mar. 15 First quarterly tax instalment payment due for 2015 taxation year. Remainder instalment payments for 2015 are due on June 15, September 15, and December 15, 2015.

April 2015

Apr. 30 Filing deadline: 2014 personal tax return & balance owing to avoid paying interest & late filing penalty.

June 2015

Jun. 15 Deadline for filing the 2014 tax return for self-employed persons (including spouse or common-law partner). However, balance owing for 2014 is still on or before April 30, 2015.

December 2015

Dec. 15 Final quarterly tax instalment payment for 2015 (individuals other than certain farmers and fishermen).

Dec. 24 For **disposition of investments to realize accrued capital gains or losses** in 2015, ensure the settlement date (not the trade date) is **on or before December 31, 2015**. Consult your broker. For the Canadian securities market, ensure the sale is initiated **on or before December 24, 2015**.

Dec. 31 Final payment date for amounts that may be claimed as 2015 **tax credit or deduction**.

Dec. 31 Registered Disability Savings Plan (RDSP) and Registered Education Savings Plan (RESP) contribution deadline to benefit from the 2015 grants and bonds.

Due date for a final return

Where an individual dies, the final personal income tax return must generally be filed on or before April 30, 2015 or six months after the individual's death, whichever is earlier. Exceptions to due dates apply if the deceased or the deceased's surviving spouse/common-law partner carried on a business in 2014. 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.



2014-2015 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:

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| ■ 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 | |

2014-2015 Tax Facts and Figures

Federal Tax Brackets (2014 & 2015)

Taxable Income	2014 Tax Rate	Taxable Income	2015 Tax Rate
Up to \$43,953	15%	Up to \$44,700	15%
\$43,954 - \$87,907	22%	\$44,701 - \$89,400	22%
\$87,908 - \$136,270	26%	\$89,401 - \$138,585	26%
Over \$136,270	29%	Over \$138,586	29%

Amounts Used in Federal Tax Credit

Personal Amounts	2014	2015
Basic Personal Amount	\$11,138	\$11,327
Age Amount (65 & older)	\$6,916	\$7,033
Net Income Threshold	\$34,873	\$35,466
Spouse or Common-Law Partner Amount (max.)	\$11,138	\$11,327
Eligible Dependents (max.)	\$11,138	\$11,327
Children under 18 (max. per child)	\$2,255	N/A ⁽²⁾
Infirm Dependent (max. per dependent)	\$6,589	\$6,700
Net Income Threshold	\$6,607	\$6,720
Caregiver (max. per dependent eligible for the family caregiver amount)	\$6,588	\$6,701
Net Income Threshold	\$15,472	\$15,735
Disability Amount	\$7,766	\$7,899

Source: Canada Revenue Agency

Registered Plans: Contribution Limits

Retirement Plans	2014	2015
Registered Retirement Savings Plans (RSP)		
Dollar Limit ⁽³⁾	\$24,270	\$24,930
Money Purchase Registered Pension Plans (MP RPP)		
Contribution Limit ⁽⁴⁾⁽⁶⁾	\$24,930	\$25,370
Deferred Profit Sharing Plans (DPSP)		
Contribution Limit ⁽⁵⁾⁽⁶⁾	\$12,465	\$12,685
Other Plans	2014	2015
Tax Free Savings Account (TFSA)		
Contribution Limit ⁽⁷⁾	\$5,500	\$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

Canada Pension Plan & Quebec Pension Plan

	2014 CPP	2015 CPP	2014 QPP	2015 QPP
Max. Annual Pensionable Earnings	\$52,500	\$53,600	\$52,500	\$53,600
Basic Exemption	\$3,500	\$3,500	\$3,500	\$3,500
Max. Contributory Earnings	\$49,000	\$50,100	\$49,000	\$50,100
Employee Contribution Rate	4.95%	4.95%	5.175%	5.25%
Max. Annual Employee Contribution	\$2,425.50	\$2,479.95	\$2,535.75	\$2,630.25
Max. Annual Self-Employed Contributions	\$4,851.00	\$4,959.90	\$5,071.50	\$5,260.50

Source: Canada Revenue Agency

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

⁽²⁾ Under changes announced October 30, 2014, the enhanced Universal Child Care Benefit will replace the existing amount for children under 18 for the 2015 and subsequent tax years. However, the family caregiver amount will continue to be available in respect of an infirm child under 18.

⁽³⁾ 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).

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ MP RPP and DPSP limits for pension adjustment purposes are also restricted to 18% of earned income.

⁽⁷⁾ 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.

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