



# Quarterly Exchange

Winter 2020



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## Don't Get Caught in a Cyber Web

### With so much stolen data and unsafe passwords in existence, here's how to protect yourself and what TD is doing to help.

Cyber hacks, scams, frauds and your private records in the hands of any online criminal who has the know-how — that unfortunately is the situation we could find ourselves in.

That's why TD is making major investments in tools and especially experienced personnel, to meet the evolving threats, says Jeff Henderson, Executive Vice President and Chief Information Officer.

TD has taken serious measures to bulk up its security against cyber threats. It has recently become a founding corporate member, and the first Canadian bank, to join the Canadian Institute for Cybersecurity located at the University of New Brunswick. The institute will be a cyber-technology hub and will help support the bank's goal in developing new cyber-risk management technologies. As well, TD recently opened a Cybersecurity Office in Tel Aviv, Israel, to have access to the world's leading centre in cybersecurity talent. Henderson says that there is a shortage of people with the cutting-edge skills and TD has taken proactive steps to make sure it has the best people in place.

"The rationale for getting involved in these centres is, first and foremost, to have access to the talent. There is a war for talent going on and our success is largely based on our ability to attract talent." Henderson says.

#### Look out for the "Relative in Trouble" Scam

**What it is:** An email or telephone call is sent, claiming a relative is hurt or in jail and badly needs money. The caller may claim to be a government official, a police officer or even a relative using a "bad line."

**How to be smart:** These scams play on the emotional shock of hearing a relative is in trouble. Naming a relative by name and saying they are

seriously hurt is enough to distract you from asking sensible questions about the situation, like why does someone in the hospital need money?

The idea is to stay on the forefront of the tools and techniques like advanced authentication, next generation biometrics, encryption and anomaly detection, to equip TD with the 'latest and greatest' technology to help keep the bank's systems and customer data safe.

Glenn Foster, TD's Chief Information Security Officer, says with many sophisticated and evolving criminal techniques, the bank must be able to detect whether an electronic transaction is from a client or an insidious "bot." He says the bank aggressively tests its defenses by trying to break into its own systems to evaluate ever-evolving threats.

But he says that bank customers have a role to play in keeping their privacy and banking information safe. Foster says it's important that clients use strong passwords and educate themselves on the best way to protect their privacy and avoid online scams.

#### Outsmarting the Baddies

Headlines of international hacking and misuse of data by social media platforms have dominated the news this year, resulting in serious and prolonged government investigation. But these monumental rackets don't threaten me and my bank account, does it? Think again, says Robert Siciliano, a Boston-based security analyst with Hotspot Shield, who says the threat is as real and dangerous as a robber in your home.

#### Look out for the "The Romantic Scam"

**What it is:** The victim is often elderly who finds a "mate" through online dating. If your date professes love but needs \$5,000 suddenly for some problem, it's usually a scam.

**How to be smart:** Everyone, but especially seniors, should have a backup and confidante they can trust who can make a dispassionate judgment over what's going on or who they're dating.

"What movie star do you look like?" Siciliano explains that websites posting content that ask innocent questions, like that one for example, can use that data in conjunction with hacked databases to put together enough personal material to defraud someone. With so much stolen data and unsafe passwords in existence, it's an open invitation for sophisticated fraudsters.

He says everyone knows they should have strong passwords, but basic password protection is still a large problem; many still make easy-to-unlock passwords or reuse the same passwords over and over. Siciliano personally prefers a password manager, which protects and remembers numerous passwords for different accounts. Siciliano also says that people should also beware of phishing scams in emails that get you to click a link or reveal personal information. And physical cheques and money orders may ring of "old-school" nostalgia, Siciliano says avoid using them since they are easy to duplicate.

And for those who like to post lots of personal photos for friends and family on social media, be careful. He says something as harmless as posting photos while on vacation can show cyber-crooks your home is empty.

### Look out for the "You Owe Taxes" Scam

**What it is:** A high-pressure email or message that says you (or a recently-deceased relative) owes the CRA money. They say they will send someone to collect right away.

**How to be smart:** The CRA does not use high-pressure tactics and they don't collect cash.<sup>1</sup>

### Here are some security tips Siciliano says everyone should include in their life:

**1. Keep Your Software Updated:** New cyber threats are constantly coming! — If your device's software is not updated regularly, you may be vulnerable.

**2. Use VPN or Encryption Software:** Use security software because someone you don't know may be listening in on WiFi.



**3. Online Shopping May Bring Bad Bargains:** Don't store credit card information with any retailer and don't shop at retailers you are unfamiliar with or who have bad reviews.

**4. Social Media is a Minefield:** We now know entities, big or small, legitimate or dubious, are collecting our data. Beware of anything that requires you to give away any personal information, even if it appears to be as innocent as an online quiz asking for your favourite colour — since that could well be the type of questions online accounts use in security questions to verify who you are. Personal information, no matter how trivial, can be used in scams.

**5. Back Up Your Data:** Have two or more redundant backups for your computer and devices.

**6. New Devices Bring New Threats:** The Internet of Things (IOT) means devices like smart thermostats or light controls are now connected to your computer. They also need security attention as they are may be an insidious way for hackers to get to you.

**7. Be a Savvy Senior!:** Seniors may be especially vulnerable and should be vigilant: Fraudsters target seniors because they may be more easily duped if they're not aware of the latest online scams out there. Make sure seniors in your life like your grandparents are up of the latest or most pervasive telephone and email scams.

— Don Sutton, *MoneyTalk Life*

<sup>1</sup> Protect yourself against fraud, Government of Canada, April 14, 2018, accessed May 3, 2018, [www.canada.ca/en/revenue-agency/corporate/security/protect-yourself-against-fraud.html](http://www.canada.ca/en/revenue-agency/corporate/security/protect-yourself-against-fraud.html)

# Divorce and Taxes

**Filing your taxes when you are separated or divorced is significantly different than when you were married. You can't just break it off with the Canada Revenue Agency, so here's how to make it work.**

If you've been through a separation, you know how difficult the process could be: filling out tons of paperwork, gathering financial information, and navigating the sometimes confusing rules around the division of assets, not to mention dealing with how to co-parent, if you have children.

Unfortunately, even after the separation agreement or divorce papers are signed, the paperwork is still not done. "Newly separated couples are not just having to co-ordinate parenting and who gets the dog, but they also have a new tax situation that requires some co-ordination as well." says Annie Boivin, Tax and Estate Planner at TD Wealth in Montreal.

Here are six things you should consider when you file those taxes after your marriage is over.

## **1. Are You Separated in the Eyes of The Canada Revenue Agency (CRA)?**

Why does it matter if the CRA considers you separated or not? Because the CRA wants to ensure that you are accurately taking advantage of any deductions based on your marital status. If you and your spouse have an argument and one of you storms out and sleeps on a brother's couch, are you separated in the eyes of the CRA? Probably

not; the CRA considers you separated when you live separate and apart from your spouse or common-law partner for a period of 90 days or more due to a breakdown in your relationship. A separation of less than 90 days is not considered a separation for the purpose of child and family benefits. Once you have been separated for that time, the effective day of your separated status is the day you started living separate and apart. For the child benefit, the CRA may only to recognize you as being separated, if you live in separate households. If you continue to share parenting and financial responsibilities in the same household, the CRA may not recognize your separation for the sake of child and family benefits and the GST/HST credit, or if you live in Quebec, Child Assistance Payments or the Solidarity Tax Credit.

## **2. Let the CRA Know It's Over**

If you meet the criteria for being separated for tax purposes in a given tax year, you'll file your tax return for that year as "separated". This will mean that the CRA will assess your taxes based on your new marital status. If you finalize a divorce in a given tax year, you can file your tax return for that year as "divorced", although for the sake of your tax return, not much will change if you are separated versus divorced. Regardless, the CRA expects you to notify them when your marital status changes. You can call, do it online, or fill out and mail a marital status change form. If you're recently divorced, the CRA expects you to notify them by the end of the month following the month that your divorce was finalized.

### 3. Write-Off Legal Fees Where You Can

It may be a pleasant surprise after paying those big legal bills that you may be able to write-off a portion of those fees. The CRA will allow you to deduct legal fees that were paid to obtain or collect child or spousal support. Fees paid to your lawyer for preparing the separation agreement or negotiating the division of family assets, however, are generally not tax-deductible.

### 4. Claim the Eligible Dependent Tax Credit

If you have children, you may be able to claim them as eligible dependents. If you have primary custody of those children, the credit may go to you. If you have shared custody, then you will have to decide which parent will claim the credit. It can be claimed for one qualifying child annually and if you have more than one child, you may choose which one to claim for this credit. You may also choose to claim one child one year and the other the following year. Note, any income the child earns will be deducted from this credit dollar-for-dollar.

### 5. Support Payments and Taxes

Child support is not taxable in the hands of the person who receives the support, and the person who pays it can't claim the support as a deduction.

Spousal support, however, is fully taxable as income. Additionally, if you are paying spousal support to your ex, you can claim it as a deduction on your return.

### 6. Who Receives the Child Benefits?


If you have joint custody of your children, you may have to share child benefits with your ex. You may see a rise in the benefit amount, as your household income has decreased, but the CRA may split the benefit 50/50 between you and your ex.

There are also certain spousal tax credits you will now be no longer eligible for. The pension income amount, the disability amount, and the tuition, education and textbook amounts, can no longer be shared when you split. But, your lower household income may mean an increase in the amount of child benefit you are entitled to, and if your income is below a certain threshold, you may be eligible for an additional education grant for an RESP.

“Changes in your marital status can have a big implication on your taxes and on your financial situation,” says Boivin. “This might be a good time to sit down with your financial professional and review your overall situation.”

— Denise O’Connell, *MoneyTalk Life*





## A New Year, a New You

**The calendar changes but you still see the old you in the mirror with your old habits and frustrations. Here are some tips to finally get yourself on track and make this year the game changer.**

It's one of the quirks of humans that when we pin a new calendar to the wall, the blank pages remind us that a full year of potential is ahead. We can shed all our bad habits as we greet the new year with fresh eyes.

However, we know that despite our best intentions, our struggles to eat better, exercise more and become a better, healthier person, often fails. Whether we want to give up ice cream-on-the-couch or be better at saving money, our enthusiasm often turns to frustration before St. Valentine's Day.

Do we lack will-power? Are we just lazy? Do chocolate-glazed donuts, ketchup potato chips and cigarettes have such a strong hold on us that we shouldn't even try?

### **Set Goals and Stick to Them**

Dr. Karyn Hood, a Toronto clinical psychologist, has been treating patients with stress and anxiety, mood disorders, relationship difficulties and weight and health issues for more than a decade.

"The key to effective goal-setting is to set reasonable and achievable goals that can be broken down into smaller steps," Hood says. "This approach can make you feel more successful and provides a strategy or road map to follow."

She says someone proclaiming an absolute goal like they'll 'never eat another potato chip starting in 2019,' can sabotage their intentions and, if this happens, people may see their goal as unattainable.

"The problem with having an absolute rule for a goal is that, if you are unable to maintain that abstinence, then the minute you make a slip you end up feeling guilty and weak or like a failure. This mindset can derail your progress, leaving yourself feeling discouraged and more likely to drop the goal altogether," Hood says.

To use the potato chip example, she would suggest instead of going cold turkey, estimate how many you are currently eating per week and make a plan to cut back your consumption in a graduated fashion (such as one less bag a week) over a period of time. At the same time, you could substitute your chip consumption for healthier snack options (like a few whole-grain baked crackers or a handful of almonds).

"Remember to keep the steps small and achievable. This way you tend to feel successful for achieving the smaller steps or sub-goals and it helps to keep you motivated and moving towards your ultimate end goal," she says.

What's also important is to have a plan to deal with potential temptations that keep you heading to the junk food cupboard or away from the gym. Knowing in advance what excuses might keep you off track helps you plan a strategy of what to do when those obstacles inevitably crop up.

## Strategy Over Willpower

Willpower, discipline and control are factors to be down-played when confronting bad habits or addictions, she says. Not being able to get to the gym three to four times this week as you promised does not make you a weak person. Instead, she has found that a general rule of thumb for effective goal setting is strategy over willpower. You are more likely to achieve your desired goal if you have a reasonable, step-by-step approach and you have the support of others.

“Enlisting professional support can be key,” says Hood, “particularly when tackling a longstanding issue or psychological problem like an addiction rather than going it alone.”

Hood also says some people benefit by using the “accountability factor.” That is, having someone else to help them stay motivated and on track with their goal. It might be easy to make excuses and skip the gym on some mornings, but for some, not showing up when their gym buddy is waiting is a social bond they can’t break — and if that helps them be more consistent with their routine, then that’s great.

## Get Your Finances in Order

Some people might have a goal to gain better control of their finances, save money or plan for retirement. Laima Alberings, a Tax and Estate Planner with TD Wealth, says many people want to be better at money management but for a variety of reasons, they just can’t do it.

One thing that is preventing them could be their familiarity and comfort with money concepts. She says while many Canadians are successful in their own fields, their lack of financial literacy often prevents them from investigating the state of their financial affairs. No one wants to feel ignorant so — as long as short-term bills are paid and pay cheques keep people above water — people can put off financial planning for another day, Alberings says.

This leads to head-in-the-sand behaviour which in turn makes a bad financial situation worse. Becoming more adept at drawing up financial plans should be on everyone’s to-do list.

“Just like any other resolution like weight loss or planning a vacation, you need to review your habits, you have to find out what has been working for you and what hasn’t been working for you,” she says.

Alberings says people can raise their financial literacy by reading the papers, going to the library,





reading Canadian-focused financial blogs or talking to a financial professional, she says.

Otherwise, if you are unfamiliar with the basic concepts, you may find it difficult to make any decisive financial plans.

One of the New Year's resolutions people have is to be better savers. Alberings says that being a better saver begins with having a budget and the best method to do this is to have a financial app or some kind of tracker or software that records everything you buy.

That way you can see if you are spending too much on lunches at work or entertainment Saturday nights, for example, and make plans to cut back on the spending you can control.

"You might say, you know what? I'm not going out every weekend. I'll cut back to every other weekend," she says.

She says another area that people should concentrate on come January is to getting their retirement plan under control — people are often too busy with day-to-day issues to sit back and

think about long-term events like retirement, so those plans can be continually pushed aside until "tomorrow".

She says often people sign up for an RSP but don't contribute every year or move on to a different plan with a different investment outlook. She says it's not unusual to have several RSP accounts with no coordination between them.

Alberings agrees with Dr. Hood when she recommends that some changes in behaviour need professional help and support. Just like a doctor can help tune in on what health factors you should take care of — weight, blood pressure, cholesterol — a financial professional can identify which financial issues an individual should work on. This can include retirement, debt-reduction or saving for a better, less-stressful year ahead.

— Don Sutton, *MoneyTalk Life*



# Major Canadian Tax Deadlines and Dates

	2019	2020
<b>Filing Income Tax Returns &amp; Instalments:</b>		
Individual	April 30, 2020	April 30, 2021
Self-employed individual	June 15, 2020 <sup>1</sup>	June 15, 2021
Deceased — Final tax return <sup>2</sup> :		
Death occurred between January 1 and October 31	April 30 <sup>th</sup> of the following year	
Death occurred between November 1 and December 31	Six months after the date of death	
If deceased was self-employed, death occurred between January 1 and December 15	June 15 of the following year	
If deceased was self-employed Death occurred between December 16 and December 31	Six months after the date of death	
Graduated Rate Estate	90 days after tax year end	
Trusts, including testamentary or spousal/common-law partner trusts	March 30, 2020	March 31, 2021
Quarterly tax instalments	15 <sup>th</sup> of March, June, September and December	
<b>Registered Retirement Savings Plan (RRSP):</b>		
Contributions for the year	March 2, 2020	March 1, 2021
Contributions for the year an individual turns 71 years of age	December 31, 2019	December 31, 2020
<b>Home Buyers' Plan (HBP):</b>		
Withdrawal — Buy or build a home before October 1 <sup>st</sup> of the following year	October 1, 2020	October 1, 2021
Repayment — Starts in the second calendar year after the withdrawal	March 1, 2022	March 1, 2023
<b>Registered Education Savings Plan (RESP):</b>		
Contributions to receive Canada Education Savings Grants (CESGs) for the year	December 31, 2019	December 31, 2020
<b>Registered Disability Savings Plan (RDSP):</b>		
Contributions to receive Canada disability savings grants and bonds for the year	December 31, 2019	December 31, 2020
<b>Capital Loss Selling:</b>		
Disposition of investments to realize accrued capital gains or losses for the year (last trading date for settlement to occur within the year)	December 27, 2019	December 29, 2020
<b>Family Loans:</b>		
Interest on family loans to avoid attribution rules	January 30 <sup>th</sup> of the following year	
<b>Charitable Donations</b>	December 31, 2019	December 31, 2020

<sup>1</sup>Please note that if there is a balance owing for the 2019 tax year it must still be paid on or before April 30<sup>th</sup> 2020.

<sup>2</sup>The deceased's Will or a court order may set up a testamentary spousal/common-law partner trust. When testamentary debts of the deceased (or estate) are being handled through the trust, the due date for the final return is extended to 18 months after the date of death. However, any balance owing on the final return must be paid on the due date as determined by the date of death.

# Combined Federal and Provincial/Territory Personal Tax Rates

2019 Taxation Year

	2019 Lower Limit (\$)	2019 Upper Limit (\$)	2019 Combined Tax Rate <sup>1,2,5</sup>
<b>Alberta</b>			
	-	47,630	25.00%
	47,631	95,259	30.50%
	95,260	131,220	36.00%
	131,221	147,667	38.00%
	147,668	157,464	41.00%
	157,465	209,952	42.00%
	209,953	210,371	43.00%
	210,372	314,928	47.00%
	314,929	and higher	48.00%
<b>British Columbia</b>			
	-	40,707	20.06%
	40,708	47,630	22.70%
	47,631	81,416	28.20%
	81,417	93,476	31.00%
	93,477	95,259	32.79%
	95,260	113,506	38.29%
	113,507	147,667	40.70%
	147,668	153,900	43.70%
	153,901	210,371	45.80%
	210,372	and higher	49.80%
<b>Manitoba</b>			
	-	32,670	25.80%
	32,671	47,630	27.75%
	47,631	70,610	33.25%
	70,611	95,259	37.90%
	95,260	147,667	43.40%
	147,668	210,371	46.40%
	210,372	and higher	50.40%
<b>New Brunswick</b>			
	-	42,592	24.68%
	42,593	47,630	29.82%
	47,631	85,184	35.32%
	85,185	95,259	37.02%
	95,260	138,491	42.52%
	138,492	147,667	43.84%
	147,668	157,778	46.84%
	157,779	210,371	49.30%
	210,372	and higher	53.30%
<b>Newfoundland &amp; Labrador</b>			
	-	37,591	23.70%
	37,592	47,630	29.50%
	47,631	75,181	35.00%
	75,182	95,259	36.30%
	95,260	134,224	41.80%
	134,225	147,667	43.30%
	147,668	187,913	46.30%
	187,914	210,371	47.30%
	210,372	and higher	51.30%
<b>Northwest Territories</b>			
	-	43,137	20.90%
	43,138	47,630	23.60%
	47,631	86,277	29.10%
	86,278	95,259	32.70%
	95,260	140,267	38.20%
	140,268	147,667	40.05%
	147,668	210,371	43.05%
	210,372	and higher	47.05%
<b>Nova Scotia</b>			
	-	25,000	23.79%
	25,001	29,590	24.32%
	29,591	47,630	30.48%
	47,631	59,180	35.98%

	2019 Lower Limit (\$)	2019 Upper Limit (\$)	2019 Combined Tax Rate <sup>1,2,5</sup>
<b>Nova Scotia continued</b>			
	59,181	74,999	37.70%
	75,000	93,000	37.17%
	93,001	95,259	38.00%
	95,260	147,667	43.50%
	147,668	150,000	46.50%
	150,001	210,371	50.00%
	210,372	and higher	54.00%
<b>Nunavut</b>			
	-	45,414	19.00%
	45,415	47,630	22.00%
	47,631	90,829	27.50%
	90,830	95,259	29.50%
	95,260	147,667	35.00%
	147,668	210,371	40.50%
	210,372	and higher	44.50%
<b>Ontario<sup>3</sup></b>			
	-	43,906	20.05%
	43,907	47,630	24.15%
	47,631	77,313	29.65%
	77,314	87,813	31.48%
	87,814	91,101	33.89%
	91,102	95,259	37.91%
	95,260	147,667	43.41%
	147,668	150,000	46.41%
	150,001	210,371	47.97%
	210,372	220,000	51.97%
	220,001	and higher	53.53%
<b>Prince Edward Island<sup>3</sup></b>			
	-	31,984	24.80%
	31,985	47,630	28.80%
	47,631	63,969	34.30%
	63,970	95,259	37.20%
	95,260	98,997	42.70%
	98,998	147,667	44.37%
	147,668	210,371	47.37%
	210,372	and higher	51.37%
<b>Quebec<sup>4</sup></b>			
	-	43,790	27.53%
	43,791	47,630	32.53%
	47,631	87,575	37.12%
	87,576	95,259	41.12%
	95,260	106,555	45.71%
	106,556	147,667	47.46%
	147,668	210,371	49.97%
	210,372	and higher	53.31%
<b>Saskatchewan</b>			
	-	45,225	25.50%
	45,226	47,630	27.50%
	47,631	95,259	33.00%
	95,260	129,214	38.50%
	129,215	147,667	40.50%
	147,668	210,371	43.50%
	210,372	and higher	47.50%
<b>Yukon</b>			
	-	47,630	21.40%
	47,631	95,259	29.50%
	95,260	147,667	36.90%
	147,668	210,371	41.80%
	210,372	500,000	45.80%
	500,001	and higher	48.00%

# Combined Federal and Provincial/Territory Personal Tax Rates

2020 Taxation Year

	2020 Lower Limit (\$)	2020 Upper Limit (\$)	2020 Combined Tax Rate <sup>1,2,5</sup>
<b>Alberta</b>			
	-	48,535	25.00%
	48,536	97,069	30.50%
	97,070	131,220	36.00%
	131,221	150,473	38.00%
	150,474	157,464	41.00%
	157,465	209,952	42.00%
	209,953	214,368	43.00%
	214,369	314,928	47.00%
	314,929	and higher	48.00%
<b>British Columbia</b>			
	-	41,725	20.06%
	41,726	48,535	22.70%
	48,536	83,451	28.20%
	83,452	95,812	31.00%
	95,813	97,069	32.79%
	97,070	116,344	38.29%
	116,345	150,473	40.70%
	150,474	157,748	43.70%
	157,749	214,368	45.80%
	214,369	and higher	49.80%
<b>Manitoba</b>			
	-	33,389	25.80%
	33,390	48,535	27.75%
	48,536	72,164	33.25%
	72,165	97,069	37.90%
	97,070	150,473	43.40%
	150,474	214,368	46.40%
	214,369	and higher	50.40%
<b>New Brunswick</b>			
	-	43,401	24.68%
	43,402	48,535	29.82%
	48,536	86,803	35.32%
	86,804	97,069	37.02%
	97,070	141,122	42.52%
	141,123	150,473	43.84%
	150,474	160,776	46.84%
	160,777	214,368	49.30%
	214,369	and higher	53.30%
<b>Newfoundland &amp; Labrador</b>			
	-	37,929	23.70%
	37,930	48,535	29.50%
	48,536	75,858	35.00%
	75,859	97,069	36.30%
	97,070	135,432	41.80%
	135,433	150,473	43.30%
	150,474	189,604	46.30%
	189,605	214,368	47.30%
	214,369	and higher	51.30%
<b>Northwest Territories</b>			
	-	43,957	20.90%
	43,958	48,535	23.60%
	48,536	87,916	29.10%
	87,917	97,069	32.70%
	97,070	142,932	38.20%
	142,933	150,473	40.05%
	150,474	214,368	43.05%
	214,369	and higher	47.05%
<b>Nova Scotia</b>			
	-	25,000	23.79%
	25,001	29,590	24.32%
	29,591	48,535	30.48%
	48,536	59,180	35.98%

	2020 Lower Limit (\$)	2020 Upper Limit (\$)	2020 Combined Tax Rate <sup>1,2,5</sup>
<b>Nova Scotia continued</b>			
	59,181	74,999	37.70%
	75,000	93,000	37.17%
	93,001	97,069	38.00%
	97,070	150,000	43.50%
	150,001	150,473	47.00%
	150,474	214,368	50.00%
	214,369	and higher	54.00%
<b>Nunavut</b>			
	-	46,277	19.00%
	46,278	48,535	22.00%
	48,536	92,555	27.50%
	92,556	97,069	29.50%
	97,070	150,473	35.00%
	150,474	214,368	40.50%
	214,369	and higher	44.50%
<b>Ontario<sup>3</sup></b>			
	-	44,740	20.05%
	44,741	48,535	24.15%
	48,536	78,783	29.65%
	78,784	89,482	31.48%
	89,483	92,825	33.89%
	92,826	97,069	37.91%
	97,070	150,000	43.41%
	150,001	150,473	44.97%
	150,474	214,368	47.97%
	214,369	220,000	51.97%
	220,001	and higher	53.53%
<b>Prince Edward Island<sup>3</sup></b>			
	-	31,984	24.80%
	31,985	48,535	28.80%
	48,536	63,969	34.30%
	63,970	97,069	37.20%
	97,070	99,490	42.70%
	99,491	150,473	44.37%
	150,474	214,368	47.37%
	214,369	and higher	51.37%
<b>Quebec<sup>4</sup></b>			
	-	44,545	27.53%
	44,546	48,535	32.53%
	48,536	89,080	37.12%
	89,081	97,069	41.12%
	97,070	108,390	45.71%
	108,391	150,473	47.46%
	150,474	214,368	49.97%
	214,369	and higher	53.31%
<b>Saskatchewan</b>			
	-	45,225	25.50%
	45,226	48,535	27.50%
	48,536	97,069	33.00%
	97,070	129,214	38.50%
	129,215	150,473	40.50%
	150,474	214,368	43.50%
	214,369	and higher	47.50%
<b>Yukon</b>			
	-	48,535	21.40%
	48,536	97,069	29.50%
	97,070	150,473	36.90%
	150,474	214,368	41.80%
	214,369	500,000	45.80%
	500,001	and higher	48.00%



<sup>1</sup>Federal and Provincial tax credits including the basic personal amounts are not reflected in the above charts.

<sup>2</sup>When alternative minimum tax (AMT) applies, the above tax rates are not applicable.

<sup>3</sup>Includes surtax: **2019 Ontario** - 20% of provincial taxes payable above \$4,740 + 36% above \$6,067; **2020 Ontario** - 20% of provincial taxes payable above \$4,830 + 36% above \$6,182; **2019 & 2020 Prince Edward Island** - 10% of provincial taxes payable above \$12,500.

<sup>4</sup>Federal tax has been reduced by 16.5% for Quebec's abatement of basic federal tax.

<sup>5</sup>Does not include provincial health levies and/or provincial tax levies.

# Combined Federal and Provincial/Territory Personal Taxes

Tax on \$100,000 of Taxable Ordinary Income – 2019 & 2020 Taxation Year

Province/Territory	Taxable Income	Average Tax Rate		Marginal Tax Rate		Tax Payable		After-Tax Income	
		2019	2020	2019	2020	2019	2020	2019	2020
Alberta	\$100,000	24.40%	24.20%	36.00%	36.00%	\$24,394	\$24,210	\$75,606	\$75,790
British Columbia	\$100,000	23.10%	22.70%	38.30%	38.30%	\$23,053	\$22,730	\$76,947	\$77,270
Manitoba	\$100,000	28.80%	28.50%	43.40%	43.40%	\$28,771	\$28,478	\$71,229	\$71,552
New Brunswick	\$100,000	28.20%	27.90%	42.50%	42.50%	\$28,220	\$27,948	\$71,780	\$72,052
Newfoundland & Labrador	\$100,000	28.20%	27.90%	41.80%	41.80%	\$28,154	\$27,935	\$71,846	\$72,065
Northwest Territories	\$100,000	23.40%	23.10%	38.20%	38.20%	\$23,386	\$23,105	\$76,614	\$76,895
Nova Scotia	\$100,000	29.50%	29.30%	43.50%	43.50%	\$29,473	\$29,289	\$70,527	\$70,711
Nunavut	\$100,000	21.50%	21.30%	35.00%	35.00%	\$21,512	\$21,256	\$78,488	\$78,744
Ontario	\$100,000	24.20%	23.80%	43.40%	43.40%	\$24,213	\$23,848	\$75,787	\$76,152
Prince Edward Island	\$100,000	29.00%	28.70%	44.40%	44.40%	\$29,015	\$28,741	\$70,985	\$71,259
Quebec	\$100,000	29.70%	29.40%	45.70%	45.70%	\$29,653	\$29,363	\$70,347	\$70,637
Saskatchewan	\$100,000	26.20%	26.10%	38.50%	38.50%	\$26,239	\$26,056	\$73,761	\$73,944
Yukon	\$100,000	23.40%	23.20%	36.90%	36.90%	\$23,410	\$23,154	\$76,590	\$76,846

## Federal Tax Credits and Thresholds

December 31, 2019 & 2020

Federal Personal Tax Credits <sup>1</sup>	2019 Amount (\$)	2020 Amount (\$)
Basic Personal Amount	12,069	12,298
Age Amount (65 & older)	7,494	7,637
Net Income Threshold	37,790	38,508
Spouse or Common-Law Partner Amount	12,069	12,298
Eligible Dependents	12,069	12,298
Canada Caregiver Credit	7,140	7,276
Net Income Threshold (Canada Caregiver Credit)	16,766	17,085
Disability Amount	8,416	8,576

Registered Plans: Contribution Limits	2019 Contribution Limit (\$)	2020 Contribution Limit (\$)
<b>Retirement Plans</b>		
Registered Retirement Savings Plans (RRSP) <sup>2</sup>	26,500	27,230
Money Purchase Registered Pension Plans (MP RPP) <sup>3,5</sup>	27,230	27,830
Deferred Profit Sharing Plans (DPSP) <sup>4,5</sup>	13,615	13,915
<b>Other Plans</b>		
Tax Free Savings Account (TFSA) <sup>6</sup>	6,000	6,000
Registered Education Savings Plan (RESP) <sup>7</sup>	50,000	50,000
Registered Disability Savings Plan (RDSP) <sup>7</sup>	200,000	200,000

Canada Pension Plan (CPP) & Quebec Pension Plan (QPP)	2019 CPP Rates (\$)	2020 CPP Rates (\$)	2019 QPP Rates (\$)	2020 QPP Rates (\$)
Max Annual Pensionable Earnings	57,400	58,700	57,400	58,700
Basic Exemption	3,500	3,500	3,500	3,500
Max Contributory Earnings	53,900	55,200	53,900	55,200
Employee Contribution Rate (%)	5.10%	5.25%	5.55%	5.70%
Max Annual Employee Contribution	2,748.90	2,898.00	2,991.45	3,146.40
Max Annual Self-Employed Contributions	5,497.80	5,796.00	5,982.9	6,292.80



<sup>1</sup>For additional details, please visit [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

<sup>2</sup>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 RRSP contribution room carried forward from the previous year. RRSP contribution room may be reduced by pension adjustments (PA) and Past Service Pension Adjustments (PSPA), and increased by Pension Adjustment Reversals (PAR).

<sup>3</sup>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.

<sup>4</sup>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.

<sup>5</sup>MP RPP and DPSP limits for pension adjustment purposes are also restricted to 18% of earned income.

<sup>6</sup>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.

<sup>7</sup>Lifetime contribution limit.

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