

Tax Rates: Federal and Provincial - Ontario

2010 Taxable Income	Other Income	Capital Gains	Eligible Dividends	Ineligible Dividends
first \$37,106	20.05%	10.03%	-6.23%	3.16%
over \$37,106 up to \$40,970	24.15%	12.08%	-0.32%	7.90%
over \$40,970 up to \$65,345	31.15%	15.58%	9.76%	16.65%
over \$65,345 up to \$74,214	32.98%	16.49%	10.55%	17.81%
over \$74,214 up to \$76,986	35.39%	17.70%	14.02%	20.82%
over \$76,986 up to \$81,941	39.41%	19.70%	16.49%	23.82%
over \$81,941 up to \$127,021	43.41%	21.70%	22.25%	28.82%

Federal Personal Tax Credit Amounts

	Gross Amount (Max)	Credit (15%)
Basic personal amount	\$ 10,382	\$ 1,557
Child amount	\$ 2,101	\$ 315
Infirm Dependent	\$ 4,223	\$ 633
Age amount	\$ 6,446	\$ 977
Disability amount	\$ 7,239	\$ 1,086
Spouse / Eligible Dependent	\$ 10,382	\$ 1,557
Caregiver amount	\$ 4,223	\$ 633

Canada/Quebec Pension Plan

Maximum Benefits, 2010	Annual	Monthly
Death Benefit (lump sum)	2,500.00	
Retirement Pension (at age 65)	11,210.04	934.17
Disability Benefit	13,521.12	1,126.76
Survivor's Benefit, Survivor under age 65	6,198.94	516.57
Survivor's Benefit, Survivor over age 65	6,726.00	560.50
Child of Disabled Contributor	2,578.20	214.85
Child of Deceased Contributor	2,578.20	214.85

Old Age Security

Benefit	Recipient	Maximum Monthly Benefit	Maximum Annual Income
Pension	All recipients	\$516.96	See note
Guaranteed Income Supplement	Single person	\$652.51	\$15,672
	Spouse of pensioner	\$430.90	\$20,688
	Spouse of non-pensioner	\$652.51	\$37,584

Note - Pensioners with an individual net income above \$66,733 must repay part or all of the maximum Old Age Security pension amount. The repayment amounts are normally deducted from their monthly payments before they are issued. The full OAS pension is eliminated when a pensioner's net income is \$108,090 or above.

Minimum RRIF Withdrawal Rates (2009 and later)

Age on Dec. 31	%	Age on Dec. 31	%
		83	0.0958
72	0.0748	84	0.0993
73	0.0759	85	0.1033
74	0.0771	86	0.1079
75	0.0785	87	0.1133
76	0.0799	88	0.1196
77	0.0815	89	0.1271
78	0.0833	90	0.1362
79	0.0853	91	0.1473
80	0.0875	92	0.1612
81	0.0899	93	0.1792
82	0.0927	94 or more	0.2000

1. Also applies to LIFs and LRIFs

Registered Retirement Savings Plan - RRSP's

The Income Tax Act limits the amount that taxpayers can shelter in registered plans.

For quite a while, RRSP plan contribution limits were frozen. However, legislation now provides for regular increases or indexing.

The maximum RRSP contribution that can be deducted for the current taxation year is called the RRSP deduction limit. The deduction limit is calculated as:

- 18% of earned income for the preceding year, to a maximum of the **RRSP dollar limit** (see below) for the current year; **plus**
- any unused deduction room carried forward from the previous year; **less**
- any pension adjustment or past service pension adjustments for participants in a registered pension plan (RPP) or deferred profit sharing plan (DPSP); **plus**
- any pension adjustment reversals (RPP).

RRSP Dollar Limit

Year of RRSP Contribution	RRSP Dollar Limit	Year of RRSP Contribution	RRSP Dollar Limit
2005	\$16,500	2009	\$21,000
2006	\$18,000	2010	\$22,000
2007	\$19,000	2011	Indexed
2008	\$20,000		

RRSP Contribution Deadlines

A taxpayer may contribute to their RRSP for a tax year between March 2nd and December 31 and between January 1st and March 1st of the following calendar year.

A taxpayer can continue contributing to his or her RRSP until December 31st of the year in which he or she turns 71 years of age.

Registered Education Savings Plan (RESP) Rules

Existing Rules - 2010	
Contribution Limits	
Annual contribution limit	Unlimited (subject to the lifetime contribution limit)
Lifetime contribution limit	\$50,000 on behalf of any single beneficiary
Penalty on overcontributions	1% per month on cumulative excess amount
Age limit	There is no limit on the age of the beneficiary under the Income Tax Act. Individual plans may impose an age restriction.
Timing Limits	
Number of contributions ⁽¹⁾	Subscribers can contribute to an RESP until the end of the 31 st year after the year in which they make their first contribution, for a total of 32 years of contributions.
Duration of RESP ⁽²⁾	An RESP must be terminated by the end of the 35 th year after the year in which it was opened. This means that, if the RESP is established on January 1 st , it can be open for a total of 36 years less a day.
Investment Limits	
Qualified investments	With the exception of certain annuity contracts, the types of property that qualify for an RESP are the same as those that qualify for an RRSP.
Penalty tax on non-qualified investments	1% of the fair market value of all non-qualified investments held at the end of each month.
Withdrawal Limits/Requirements	
Withdrawal of capital	Can be withdrawn by the subscriber at any time.
Qualifying educational program for permitted withdrawal of Educational Assistance Payments (EAPs)	A course of study that lasts at least three weeks in a row, with at least 10 hours of instruction or work each week. The definition is expanded to include a semester-long part-time course of study (i.e., one that lasts at least 13 weeks) and that requires at least 12 hours of instruction or work each month.
Limit on EAP withdrawals	No annual limit. However, for plans entered into after 1998, the EAP payable to an individual before the individual has completed 13 consecutive weeks of study is limited to \$5,000. For plans entered into after 2006, the EAP payable to an individual enrolled in a qualifying part-time program of study is limited to \$2,500 for each 13-week semester.
Accumulated Income Payments (AIPs) Penalty Tax	Subject to a 20% tax, in addition to regular income tax, unless rolled over to the subscriber's RRSP.
Accumulated Income Payments, Rollover to RRSP	AIPs can be transferred to the subscriber's RRSP or spousal RRSP, provided the subscriber has RRSP contribution room, up to a limit of \$50,000.

Canada Education Savings Grant (CESG) Rules

Existing rules for 2010

Existing Rules	
Eligible Contributions	
Age limit	Only contributions on behalf of children who are residents of Canada and who are under 18 years of age throughout the entire year are eligible for the grant.
Beneficiaries 18 or older	Subscribers can continue to make RESP contributions for beneficiaries 18 or older (subject to the 31-year contribution limit for RESPs), but such contributions will not attract a grant.
Beneficiaries who are 16 or 17 years old	RESP contributions for 16 and 17-year olds will be eligible for the CESG only if at least one of the following conditions is met: a minimum of \$2,000 of RESP contributions has been made to, and not withdrawn from, RESPs in respect of the beneficiary before the year in which the beneficiary attains 16 years of age a minimum of \$100 in annual RESP contributions has been made to, and not withdrawn from, RESPs in respect of the beneficiary in at least any four years before the year in which the beneficiary attains 16 years of age
Amount of Grant	
Contribution room	Beginning in 2007, the contribution room will increase to \$2,500, and unused amounts can be carried forward.
Basic grant calculation	The basic grant is 20% on annual contributions equal to the lesser of \$5,000 and the beneficiary's unused CESG grant contribution room available in the year.
Additional grant for low income families, for years after 2004	If net family income is below the threshold at which the Child Tax Benefit begins to be phased out, then the grant will be increased to 40% on the first \$500 contributed to each child's RESP each year. This threshold is \$37,885 in 2008 and \$38,832 in 2009. If net family is above this threshold, but less than two times the threshold, then the grant is 30% on the first \$500 contributed to each child's RESP
Maximum annual grant	\$1,000, assuming the child has carried forward at least \$2,500 in unused contribution room.
Maximum CESG over lifetime	\$7,200 per beneficiary

Average undergraduate tuition fees for Canadian full-time students by faculty			
	2006/07	2007/08	06/07 to 07/08
	current \$		% change
Education	3,373	3,473	3.0
Visual and performing arts, and communications technologies	3,991	4,148	3.9
Humanities	4,336	4,459	2.8
Social and behavioral science	4,041	4,156	2.8
Law	7,155	7,334	2.5
Business, management and public administration	4,195	4,271	1.8
Physical and life sciences and technology	4,270	4,467	4.6
Mathematics, computer and information science	4,650	4,700	1.1
Engineering	4,943	5,131	3.8
Architecture and related technologies	3,839	3,957	3.1
Agriculture, natural resources and conservation	3,869	3,963	2.4
Medicine	9,659	9,937	2.9
Parks, recreation, health (other than medicine) and fitness	4,996	5,099	2.1
Education	4,627	4,684	1.2
Visual and performing arts, and communications technologies	3,679	3,726	1.3
Humanities	3,531	3,660	3.7
Social and behavioral science	3,579	3,711	3.7
Law	3,272	3,323	1.6
Business, management and public administration	14,879	13,702	-7.9
Physical and life sciences and technology	4,104	4,215	2.7
Mathematics, computer and information science	4,129	4,216	2.1
Engineering	4,221	4,340	2.8
Architecture and related technologies	4,153	4,297	3.5
Agriculture, natural resources and conservation	2,830	2,884	1.9
Medicine	6,976	7,168	2.8
Parks, recreation, health (other than medicine) and fitness	4,649	4,689	0.9

Registered Disability Savings Plan – RDSP's

What is a registered disability savings plan?

A registered disability savings plan (RDSP) is a savings plan that is intended to help parents and others save for the long-term financial security of a person who is eligible for the Disability Tax Credit (disability amount). Contributions to an RDSP are not tax deductible and can be made until the end of the year in which the beneficiary turns 59 years of age. Contributions that are withdrawn are not included as income for the beneficiary when paid out of an RDSP. However, the Canada disability savings grant (grant), Canada disability savings bond (bond) and investment income earned in the plan are included in the beneficiary's income for tax purposes when paid out of the RDSP. Go to www.cra.gc.ca/rpd for more details on RDSPs.

What is a Canada disability savings grant?

A Canada disability savings grant (grant) is an amount that the government of Canada contributes to an RDSP. The government will pay matching grants of 300, 200, or 100 percent, depending on the beneficiary's family income and the amount contributed. The beneficiary's family income is calculated as follows:

- From birth to December 31 of the year the beneficiary turns 18, the beneficiary's family income is based on the income information used to determine the Canada child tax benefit (CCTB) for that beneficiary.
- Beginning the year the beneficiary turns 19 until the RDSP is closed, the beneficiary's family income is based on his or her income plus his or her spouse's income. An RDSP can receive a maximum of \$3,500 in matching grants in one year, and up to \$70,000 over the beneficiary's lifetime. A grant can be paid into an RDSP on contributions made to the beneficiary's RDSP until December 31 of the year the beneficiary turns 49 years old.

What is a Canada disability savings bond?

A Canada disability savings bond (bond) is an amount paid by the government of Canada directly into an RDSP. The government will pay bonds of up to \$1,000 a year to low-income Canadians with disabilities. No contributions are required to receive the bond. The lifetime bond limit is \$20,000. A bond can be paid into an RDSP until the year in which the beneficiary turns 49 years old.