

2021 PERSONAL INCOME TAX RATES - ONTARIO

Taxable income (\$)	Federal tax (\$)	Ontario tax (\$)	Total tax (\$)	Average rate (%)	Marginal rate					
					Federal	Ontario	Total	Non-eligible dividends*	Eligible dividends*	Capital gains
5 000	0	0	0	0,0	0,00	0,00	0,00	0,00	0,00	0,00
10 880	0	0	0	0,0	0,00	0,00	0,00	0,00	0,00	0,00
13 808	0	0	0	0,0	15,00	0,00	15,00	6,87	0,00	7,50
15 846	306	0	306	1,9	15,00	5,05	20,05	9,24	0,00	10,03
20 816	1 051	503	1 554	7,5	15,00	5,05	20,05	9,24	0,00	10,03
25 000	1 679	714	2 393	9,6	15,00	5,05	20,05	9,24	0,00	10,03
30 000	2 429	966	3 395	11,3	15,00	5,05	20,05	9,24	0,00	10,03
40 000	3 929	1 471	5 400	13,5	15,00	5,05	20,05	9,24	0,00	10,03
45 142	4 700	1 731	6 431	14,2	15,00	9,15	24,15	13,95	0,00	12,07
49 020	5 282	2 086	7 368	15,0	20,50	9,15	29,65	20,28	7,56	14,83
50 000	5 483	2 175	7 658	15,3	20,50	9,15	29,65	20,28	7,56	14,83
60 000	7 533	3 090	10 623	17,7	20,50	9,15	29,65	20,28	7,56	14,83
79 501	11 531	4 875	16 406	20,6	20,50	10,98	31,48	22,38	8,91	15,74
80 000	11 633	4 929	16 562	20,7	20,50	10,98	31,48	22,38	8,91	15,74
90 287	13 742	6 059	19 801	21,9	20,50	13,39	33,89	25,15	12,24	16,95
93 655	14 432	6 510	20 942	22,4	20,50	17,41	37,91	29,78	17,79	18,95
98 040	15 331	7 273	22 604	23,1	26,00	17,41	43,41	36,10	25,38	21,70
100 000	15 841	7 615	23 456	23,5	26,00	17,41	43,41	36,10	25,38	21,70
150 000	28 841	16 319	45 160	30,1	26,00	18,97	44,97	37,89	27,53	22,48
151 978	29 355	16 695	46 050	30,3	29,00	18,97	47,97	41,35	31,67	23,98
200 000	43 489	25 804	69 293	34,6	29,00	18,97	47,97	41,35	31,67	23,98
216 511	48 278	28 936	77 214	35,7	33,00	18,97	51,97	45,95	37,19	25,98
220 000	49 429	29 598	79 027	35,9	33,00	20,53	53,53	47,74	39,34	26,76
250 000	59 329	35 757	95 086	38,0	33,00	20,53	53,53	47,74	39,34	26,76

Notes: Table takes into account federal basic personal amount of \$13,808 and Ontario basic personal amount of \$10,880. Note that the federal amount of \$13,808 is gradually reduced to \$12,421 from taxable income of \$151,978 until it reaches \$216,511 (not considered in the table).
Table does not take into account health tax deductions.

*: Numbers may not add up due to rounding.

** : In summary, non-eligible dividends arise from business income taxed at the preferential rate, while eligible dividends come from business income taxed at the basic corporate tax rate.

For non-eligible dividends, table takes into account gross-up of 15%, federal credit of 9.03% and provincial credit of 2.9863%.

For eligible dividends, table takes into account gross-up of 38%, federal credit of 15.02% and provincial credit of 10%.

Marginal rate applies to dividends added to regular income.

Non-eligible dividends up to \$30,172 are not subject to federal taxation and up to \$23,153 are not subject to provincial taxation.

Eligible dividends up to \$63,043 are not subject to federal taxation and up to \$95,796 are not subject to provincial taxation.

Tax Free Savings contribution limits

If you were 18 years or older (in Ontario) in a given year, and you have not made any other TFSA contributions, you may put aside a maximum of:

<u>Year</u>	<u>TFSA contribution Limit</u>	<u>Cumulative Total</u>
2009	\$5000	\$5000
2010	\$5000	\$10,000
2011	\$5000	\$15,000
2012	\$5000	\$20,000
2013	\$5,500	\$25,500
2014	\$5,500	\$31,000
2015	\$10,000	\$41,000
2016	\$5,500	\$46,500
2017	\$5,500	\$52,000
2018	\$5,500	\$57,500
2019	\$6,000	\$63,500
2020	\$6,000	\$69,500
2021	\$6,000	\$75,500

2021 tax planning

Provincial/territorial income tax rates¹

(current to January 2021)

British Columbia	
First \$42,184	5.06%
\$42,185 – \$84,369	7.70%
\$84,370 – \$96,866	10.50%
\$96,867 – \$117,623	12.29%
\$117,624 – \$159,483	14.70%
\$159,484 – \$222,420	16.80%
\$222,421 and over	20.50%
Alberta	
First \$131,220	10.00%
\$131,221 – \$157,464	12.00%
\$157,465 – \$209,952	13.00%
\$209,953 – \$314,928	14.00%
\$314,929 and over	15.00%
Saskatchewan	
First \$45,677	10.50%
\$45,678 – \$130,506	12.50%
\$130,507 and over	14.50%
Manitoba	
First \$33,723	10.80%
\$33,724 – \$72,885	12.75%
\$72,886 and over	17.40%
Ontario	
First \$45,142	5.05%
\$45,143 – \$90,287	9.15%
\$90,288 – \$150,000	11.16%
\$150,001 – \$220,000	12.16%
\$220,001 and over	13.16%
Quebec	
First \$45,105	15.00%
\$45,106 – \$90,200	20.00%
\$90,201 – \$109,755	24.00%
\$109,756 and over	25.75%
New Brunswick	
First \$43,835	9.68%
\$43,836 – \$87,671	14.82%
\$87,672 – \$142,534	16.52%
\$142,535 – \$162,383	17.84%
\$162,384 and over	20.30%
Nova Scotia	
First \$29,590	8.79%
\$29,591 – \$59,180	14.95%
\$59,181 – \$93,000	16.67%
\$93,001 – \$150,000	17.50%
\$150,001 and over	21.00%
Prince Edward Island	
First \$31,984	9.80%
\$31,985 – \$63,969	13.80%
\$63,970 and over	16.70%
Newfoundland & Labrador	
First \$38,081	8.70%
\$38,082 – \$76,161	14.50%
\$76,162 – \$135,973	15.80%
\$135,974 – \$190,363	17.30%
\$190,364 and over	18.30%

Yukon	
First \$49,020	6.40%
\$49,021 – \$98,040	9.00%
\$98,041 – \$151,978	10.90%
\$151,979 – \$500,000	12.80%
\$500,001 and over	15.00%
Northwest Territories	
First \$44,396	5.90%
\$44,397 – \$88,796	8.60%
\$88,797 – \$144,362	12.20%
\$144,363 and over	14.05%
Nunavut	
First \$46,740	4.00%
\$46,741 – \$93,480	7.00%
\$93,481 – \$151,978	9.00%
\$151,979 and over	11.50%

2021 Top marginal tax rates

(Federal & Provincial Rates Combined)²

	Interest	Capital gains ³	Eligible dividends	Non-eligible dividends
British Columbia	53.50%	26.75%	36.54%	48.89%
Alberta	48.00%	24.00%	34.31%	42.31%
Saskatchewan	47.50%	23.75%	29.64%	40.38%
Manitoba	50.40%	25.20%	37.78%	46.68%
Ontario	53.53%	26.77%	39.34%	47.74%
Quebec	53.30%	26.65%	40.11%	48.02%
New Brunswick	53.30%	26.65%	33.50%	47.76%
Nova Scotia	54.00%	27.00%	41.58%	48.28%
PEI	51.37%	25.69%	34.23%	45.24%
Newfoundland	51.30%	25.65%	42.61%	44.59%
Yukon	48.00%	24.00%	28.92%	44.04%
NWT	47.05%	23.52%	28.33%	36.83%
Nunavut	44.50%	22.25%	33.08%	37.80%

RRSP/TFSA contribution limits

18% of previous year's earned income to a maximum of	2021 – \$27,830
	2022 – \$29,210
TFSA Contribution Limit	\$6,000
Accumulated TFSA contribution limit ⁴	\$75,500

Withholding tax rates for RRSP/RRIF withdrawals

	Quebec	All other provinces
Up to \$5,000	21%	10%
\$5,001 – \$15,000	26%	20%
Over \$15,001	31%	30%

2021 Federal income tax rates

First – \$49,020	15%
\$49,021 – \$98,040	20.50%
\$98,041 – \$151,978	26%
\$151,979 – \$216,511	29%
\$216,512 and over	33%
Basic personal exemption	13,808 ⁶

Attribution rules

Recipient	Gift	No or low interest loan	Loan at prescribed or commercial rate
Spouse or Partner			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	Attributed to "gifter"	Attributed to lender	No attribution
2 nd Generation Income	No attribution	No attribution	No attribution
Child under 18			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital Gains	No attribution	No attribution	No attribution
2 nd Generation Income	No attribution	No attribution	No attribution
Child over 18			
Income	No attribution	No attribution ⁵	No attribution
Capital Gains	No attribution	No attribution ⁵	No attribution
Corporation (excluding small business corporation)			
Attribution may result if reason for transfer is to confer a benefit on a spouse, common-law partner, or certain children under 18 and reduce family tax payable			No attribution

Note: Attribution generally ceases on death or in cases of non-residency.

2021 Employment Insurance (EI) premiums

	All provinces/territories except Quebec	Quebec
Maximum Yearly Insurable Earnings	\$56,300	\$56,300
Employee's Premium Rate	1.58%	1.18%
Employer's Premium Rate	2.21%	1.65%
Maximum Yearly Employee Premium	\$889.54	\$664.34
Maximum Yearly Employer Premium	\$1,245.36	\$930.08

2021 Canada Pension Plan premiums

	All provinces/territories except Quebec	Quebec
Maximum Pensionable Earnings	\$61,600	\$61,600
Basic Exemption	\$3,500	\$3,500
Maximum Contributory Earnings	\$58,100	\$58,100
Employee and Employer Rate	5.45%	5.90%
Maximum Employee/Employer contribution	\$3,166.45	\$3,427.90
Maximum Self-employed contribution	\$6,332.90	\$6,855.80

2021 CPP and QPP retirement benefit

CPP maximum monthly benefit (assuming payments begin at age 65): **\$1,203.75**
QPP maximum monthly benefit (assuming payments begin at age 65): **\$1,208.26**

2021 Old age security (OAS) payment rates

(January to March 2021)

Maximum monthly benefit	\$615.37 (assuming payments begin at age 65)
Maximum annual income	For the 2021 tax year, pensioners with net income of \$79,845 or more are subject to OAS clawback. Clawback rate is 15% for each dollar beyond \$79,845. OAS is fully eliminated once net income reaches \$129,075. Applicable to payments made from July 2022 to June 2023.

RRIF minimum withdrawals

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

Marginal versus effective tax rates – what's the difference?

Marginal tax rate: Tax rate applicable to an additional dollar of income earned. Does not consider deductions and credits available to taxpayer.

Effective tax rate: Actual rate of tax paid by taxpayer. Considers deductions, credits and graduated tax brackets.

For more information, please visit mackenzieinvestments.com/taxandestate

¹ The table includes and assumes all proposed rates from 2020 provincial budgets, where applicable, have been passed.

² Rates include federal and provincial combined marginal tax rates, including provincial surtaxes.

³ The capital gains rate for qualifying securities donated to registered charities in-kind is 0%.

⁴ Subject to meeting certain criteria.

⁵ Anti-avoidance provision can apply to attribute income and capital gains if one of the main reasons for the loan is to reduce taxes payable.

⁶ The federal basic personal amount is gradually reduced when income is in excess of \$151,978 and reduced to \$12,421 when income reaches \$216,511.

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Federal Tax Brackets – 2021

Taxable Income (\$)	Federal Tax at Bottom End of Bracket (\$)	Plus this Marginal Rate on the Excess (%)
0 to 49,020	Nil	15
49,021 to 98,040	7,363	20.5
98,041 to 151,978	17,402	26
151,979 to 216,511	31,426	29
216,512 and over	50,140	33

Federal Personal Tax Credits – 2021 (\$)

	Gross	Credit (at 15%)
Basic personal ¹	13,808	2,071
Married/eligible dependant ^{1,2,3}	13,808	2,071
Canada Caregiver 18+ infirm dependant ⁴	7,348	1,102
Age ⁵	7,713	1,157
Disability	8,662	1,299

¹Enhanced amount gradually reduced for individuals with net income in excess of \$151,978.

²The Canada Caregiver Credit of \$2,295 is added to these amounts in some cases.

³Reduced by dependant's net income.

⁴Reduced by dependant's net income in excess of \$17,256.

⁵Reduced by an amount equal to 15% of net income exceeding \$38,893.

Additional Non-Refundable Federal Tax Credits

Pension income	15% of up to \$2,000 for a maximum credit of \$300
Medical expense	15% of amount in excess of: lesser of a) 3% of net income and b) \$2,421
Tuition fees	15% of amount paid in respect of attendance at a post-secondary institution
Charitable donations	15% for first \$200, 29% of the balance (or 33% on the lesser of the amount of the donations and the donor's taxable income in excess of \$216,511); donations limited to 75% of net income ⁶
Canada pension	15% of base contributions, with enhanced contributions claimed as a tax deduction
Employment insurance	15% of premiums paid

⁶Donations made by will, the estate or direct beneficiary designation (i.e. life insurance policy, RRSP, RRIF, TFSA) are deemed to be made by the estate at the time the property is transferred and limited to 75% of net income in the year of the gift or in the 5 years (10 years for ecological gifts) following the year of the gift. However, if the estate is a graduated rate estate (GRE), there is additional flexibility to claim donations in the deceased's last 2 taxation years up to 100% of net income and prior years of the GRE up to 75% of net income.

Annual Contribution Limits for TFSA and RRSP

Year	TFSA (\$) maximum	RRSP (\$) 18% of prior year earned income to maximum of:
2014	5,500	24,270
2015	10,000	24,930
2016	5,500	25,370
2017	5,500	26,010
2018	5,500	26,230
2019	6,000	26,500
2020	6,000	27,230
2021	6,000	27,830
2022 and following	Indexed to inflation	Indexed to average wage growth

Withholding Taxes For RRSP/RRIF Withdrawals

Amount withdrawn in excess of minimum (\$)	All provinces excepts Quebec (%)	Quebec (%)
Up to 5,000	10	20
5,001 to 15,000	20	25
Over 15,000	30	30

Eligible Dividends (\$)

The following actual amount of Eligible Canadian dividends can be received by a Canadian resident with no tax payable, assuming no other income or deductions other than the basic personal and dividend tax credit.

British Columbia	53,810	Quebec	40,301
Alberta	53,810	New Brunswick	53,810
Saskatchewan	53,810	Nova Scotia	32,410
Manitoba	26,411	Prince Edward Island	48,671
Ontario	53,810	Nfld. & Labrador	18,694

For federal tax purposes the gross-up rate for eligible dividends is 38%. The enhanced federal dividend tax credit is approximately 15.02% of the grossed-up dividend.

Employment Insurance Premiums - 2021

Maximum annual insurable earnings	\$56,300.00
Employee's premium rate	1.58%
Employer's premium rate	2.21%
Maximum annual employee premium	\$889.54
Maximum annual employer premium	\$1,245.36

Canada Pension Plan Contributions – 2021 (\$)

CPP maximum pensionable earnings	61,600.00
Basic exemption	3,500.00
Maximum contributory earnings	58,100.00
Maximum contributions: Employees (5.45%)	3,166.45
Self-employed (10.90%)	6,332.90

Canada Pension Plan Benefits (\$)

The maximum benefits available under the CPP program:

	Annual Total	2021 (monthly)
Death benefit (lump sum)	2,500.00	-
Retirement benefit	14,445.00	1,203.75
Post retirement benefit	361.08	30.09
Disability benefit	16,963.92	1,413.66
Survivor's benefit – under 65	7,808.64	650.72
– 65 and older	8,667.00	722.25
Children of disabled person	3,090.96	257.58
Children of deceased person	3,090.96	257.58

Old Age Security Benefits

The maximum monthly benefit available under the OAS program:

2021	January to March	\$615.37
Benefits are repayable if net income exceeds \$79,845. The repayment is 15% of excess income to a maximum of the OAS received. OAS is eliminated once net income reaches \$129,075. A tax-free Guaranteed Income Supplement (GIS) of up to approximately \$919.12 monthly is available for low-income individuals.		

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2020 LIF

MINIMUM/MAXIMUM WITHDRAWAL PERCENTAGES

Life Income Funds (LIFs) are similar to LRIFs in that they also give you full control over your investments, and have a minimum and maximum payment, but how the maximum payment amount is calculated is different than with other plans. In some provinces, you may be required to convert your LIF to an annuity at age 80 as well. Below is a table to show you the minimum and maximum withdrawal percentages for 2020 by province.

2020 LIF Minimum/Maximum Withdrawal Percentages

Age as at Jan 1, 2020	Minimum Withdrawal Percentage	Maximum Withdrawal Percentage Alberta, British Columbia Ontario, New Brunswick Newfoundland, Saskatchewan	Maximum Withdrawal Percentage Quebec, Manitoba, Nova Scotia	Maximum Withdrawal Percentage Federal/PBSA (LIF/RLIF)
50	2.50%	6.27%	6.10%	4.13%
51	2.56%	6.31%	6.10%	4.16%
52	2.63%	6.35%	6.10%	4.20%
53	2.70%	6.40%	6.10%	4.24%
54	2.78%	6.45%	6.10%	4.28%
55	2.86%	6.51%	6.40%	4.33%
56	2.94%	6.57%	6.50%	4.38%
57	3.03%	6.63%	6.50%	4.43%
58	3.13%	6.70%	6.60%	4.49%
59	3.23%	6.77%	6.70%	4.55%
60	3.33%	6.85%	6.70%	4.62%
61	3.45%	6.94%	6.80%	4.70%
62	3.57%	7.04%	6.90%	4.78%
63	3.70%	7.14%	7.00%	4.87%
64	3.85%	7.26%	7.10%	4.98%
65	4.00%	7.38%	7.20%	5.09%
66	4.17%	7.52%	7.30%	5.21%
67	4.35%	7.67%	7.40%	5.35%
68	4.55%	7.83%	7.60%	5.51%
69	4.76%	8.02%	7.70%	5.68%
70	5.00%	8.22%	7.90%	5.88%
71	5.28%	8.45%	8.10%	6.10%
72	5.40%	8.71%	8.30%	6.36%

2020 LIF Minimum/Maximum Withdrawal Percentages

Age as at Jan 1, 2020	Minimum Withdrawal Percentage	Maximum Withdrawal Percentage Alberta, British Columbia Ontario, New Brunswick Newfoundland, Saskatchewan	Maximum Withdrawal Percentage Quebec, Manitoba, Nova Scotia	Maximum Withdrawal Percentage Federal/PBSA (LIF/RLIF)
73	5.53%	9.00%	8.50%	6.66%
74	5.67%	9.34%	8.80%	7.01%
75	5.82%	9.71%	9.10%	7.42%
76	5.98%	10.15%	9.40%	7.89%
77	6.17%	10.66%	9.80%	8.43%
78	6.36%	11.25%	10.30%	9.07%
79	6.58%	11.96%	10.80%	9.82%
80	6.82%	12.82%	11.50%	10.72%
81	7.08%	13.87%	12.10%	11.82%
82	7.38%	15.19%	12.90%	13.19%
83	7.71%	16.90%	13.80%	14.96%
84	8.08%	19.19%	14.80%	17.32%
85	8.51%	22.40%	16.00%	20.63%
86	8.99%	27.23%	17.30%	25.59%
87	9.55%	35.29%	18.90%	33.85%
88	10.21%	51.46%	20.00%	50.39%
89	10.99%	100.00%	20.00%	100.00%
90	11.92%	100.00%	20.00%	100.00%
91	13.06%	100.00%	20.00%	100.00%
92	14.49%	100.00%	20.00%	100.00%
93	16.34%	100.00%	20.00%	100.00%
94	18.79%	100.00%	20.00%	100.00%
95	20.00%	100.00%	20.00%	100.00%
96	20.00%	100.00%	20.00%	100.00%
97	20.00%	100.00%	20.00%	100.00%
98	20.00%	100.00%	20.00%	100.00%
99	20.00%	100.00%	20.00%	100.00%
100	20.00%	100.00%	20.00%	100.00%

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