MACKENZIE
Investments

Mackenzie Tax and Estate Planning

2026 investment income tax rates

Tax brackets

The rates below are the combined federal and provincial marginal rates, including all surtaxes. It is assumed that the only credits claimed are the basic personal amount. These rates are correct as at January 1, 2026 and do not reflect changes resulting from federal or provincial announcements after that date.

	Marginal tax rates (%)			
Taxable income	Interest and regular income	Capital gains	Non–eligible Canadian dividends	Eligible Canadian dividends
Alberta 2026				
First $16,452	–	–	–	–
16,453 – 22,769	14.00	7.00	5.72	-1.41
22,770 – 58,523	22.00	11.00	12.41	-1.57
58,524 – 61,200	28.50	14.25	19.88	7.40
61,201 – 117,045	30.50	15.25	22.18	10.16
117,046 – 154,259	36.00	18.00	28.51	17.75
154,260 – 181,440	38.00	19.00	30.81	20.51
181,441 – 185,111	41.29	20.65	34.59	25.05
185,112 – 246,813	42.29	21.15	35.74	26.43
246,814 – 258,482	43.29	21.65	36.89	27.81
258,483 – 370,220	47.00	23.50	41.16	32.93
$370,221 and over	48.00	24.00	42.31	34.31
British Columbia 2026				
First $13,216	–	–	–	–
13,217 - 16,452	5.06	2.53	-6.82	-30.30
16,453 - 50,363	19.06	9.53	9.28	-10.98
50,364 - 58,523	21.70	10.85	12.32	-7.34
58,524 - 100,728	28.20	14.10	19.79	1.63
100,729 - 115,647	31.00	15.50	23.01	5.49
115,648 - 117,045	32.79	16.40	25.07	7.96
117,046 - 140,430	38.29	19.15	31.39	15.55
140,431 - 181,440	40.70	20.35	34.17	18.88
181,441 - 190,404	43.99	22.00	37.95	23.42
190,405 - 258,482	46.09	23.05	40.36	26.32
258,483 - 265,545	49.80	24.90	44.63	31.44
$265,546 and over	53.50	26.75	48.89	36.54

Taxable income	Marginal tax rates (%)			
	Interest and regular income	Capital gains	Non–eligible Canadian dividends	Eligible Canadian dividends
Ontario 2026				
First $12,989	–	–	–	–
12,990 - 16,452	5.05	2.53	-8.01	-27.56
16,453 - 53,891	19.05	9.53	8.09	-8.24
53,892 - 58,523	23.15	11.58	12.80	-2.58
58,524 - 94,901	29.65	14.83	20.28	6.39
94,902 - 107,785	31.48	15.74	22.38	8.92
107,786 - 111,810	33.89	16.95	25.16	12.24
111,811 - 117,045	37.91	18.95	29.78	17.79
117,046 - 150,000	43.41	21.70	36.10	25.38
150,001 - 181,440	44.97	22.48	37.90	27.53
181,441 - 220,000	48.26	24.13	41.68	32.07
220,001 - 258,482	49.82	24.91	43.47	34.22
$258,483 and over	53.53	26.76	47.74	39.34
Saskatchewan 2026				
First $16,452	–	–	–	–
16,453 – 20,381	14.00	7.00	5.72	-1.41
20,382 – 54,531	24.50	12.25	14.89	-2.10
54,532 – 58,523	26.50	13.25	17.19	0.66
58,524 – 117,045	33.00	16.50	24.67	9.63
117,046 – 155,804	38.50	19.25	30.99	17.22
155,805 – 181,440	40.50	20.25	33.29	19.98
181,441 – 258,482	43.79	21.90	37.08	24.52
$258,483 and over	47.50	23.75	41.34	29.64
Manitoba 2026				
First $15,780	–	–	–	–
15,781 – 16,452	10.80	5.40	2.04	-5.82
16,453 – 47,000	24.80	12.40	17.23	2.46
47,001 – 58,523	26.75	13.38	19.48	5.15
58,524 – 100,000	33.25	16.63	26.95	14.12
100,001 – 117,045	37.90	18.95	32.30	20.53
117,046 – 181,440	43.40	21.70	38.62	28.12
181,441 – 200,000	46.69	23.35	42.41	32.66
200,001 – 258,482	47.54	23.77	43.39	33.84
258,483 – 400,000	51.25	25.63	47.65	38.96
$400,001 and over	50.40	25.20	46.67	37.78
Quebec 2026				
First $16,452	–	–	–	–
16,453 – 18,952	11.69	5.85	13.44	16.13
18,953 – 54,345	25.69	12.85	25.61	19.31
54,346 – 58,523	30.69	15.35	31.36	26.21
58,524 – 108,680	36.12	18.06	37.60	33.70
108,681 – 117,045	41.12	20.56	43.35	40.60
117,046 – 132,245	45.71	22.86	48.63	46.93
132,246 – 181,440	47.46	23.73	50.65	49.35
181,441 – 258,482	50.21	25.10	53.78	53.08
$258,483 and over	53.31	26.65	57.37	57.41

Effective income tax rates for individuals - 2025

This table shows combined federal and provincial or territorial taxes, including surtaxes, on interest or ordinary income, assuming only the basic personal tax credit is claimed.

Taxable income	Provincial (%)												
	BC	AB	SK	MB	ON	QC	NB	PE	NS	NL	YK	NT	NU
20,000	4.6	2.8	3.1	5.1	4.6	3.3	5.9	5.3	6.4	6.7	4.0	3.4	3.0
30,000	9.6	8.8	10.4	11.8	9.6	10.9	11.9	11.6	12.1	12.2	9.7	9.1	8.1
40,000	12.1	12.2	14.0	15.2	12.1	14.7	14.9	15.3	16.3	14.9	12.5	11.9	10.7
50,000	13.6	14.3	16.2	17.3	13.6	17.0	16.7	17.9	18.9	17.3	14.2	13.6	12.3
60,000	15.3	15.9	18.2	19.2	15.3	19.3	18.8	19.8	21.0	19.5	15.7	15.4	13.8
70,000	17.1	18.0	20.3	21.2	17.4	21.7	21.1	22.1	23.3	21.7	17.6	17.3	15.8
80,000	18.5	19.5	21.9	22.7	18.9	23.5	22.7	24.0	25.0	23.4	19.1	18.8	17.3
90,000	19.6	20.8	23.1	23.9	20.1	24.9	24.1	25.4	26.3	24.7	20.3	19.9	18.4
100,000	20.5	21.7	24.1	24.8	21.2	26.0	25.1	26.6	27.5	25.8	21.2	20.9	19.3
150,000	25.9	25.9	28.4	30.5	27.7	32.2	30.2	31.8	32.3	30.6	25.7	26.0	23.9
200,000	30.1	29.4	31.7	34.1	32.4	36.3	33.7	35.4	36.2	34.2	29.1	29.7	27.3
250,000	33.3	32.0	34.1	36.8	35.7	39.1	36.7	38.0	39.0	37.0	31.7	32.4	30.0
300,000	36.5	34.5	36.3	39.1	38.7	41.4	39.3	40.3	41.5	39.7	34.0	34.8	32.4
400,000	40.8	37.7	39.1	42.2	42.4	44.4	42.6	43.2	44.6	43.2	37.0	37.9	35.4
500,000	43.3	39.8	40.8	43.8	44.6	46.2	44.6	45.0	46.5	45.3	38.7	39.7	37.2
1,000,000	48.4	43.9	44.1	47.1	49.1	49.7	48.5	48.5	50.2	49.8	43.4	43.4	40.9

Top marginal tax rates	Provincial (%)												
	BC	AB	SK	MB	ON	QC	NB	PE	NS	NL	YK	NT	NU
Eligible dividends	36.54	34.31	29.64	37.78	39.34	40.11	32.40	36.54	41.58	46.20	28.93	28.33	33.08
Non-eligible dividends	48.89	42.30	41.34	46.67	47.74	48.70	46.83	47.92	49.99	48.96	44.04	36.82	37.79
Capital gains	26.75	24.00	23.75	25.20	26.76	26.65	26.25	26.00	27.00	27.40	24.00	23.53	22.25
Other income	53.50	48.00	47.50	50.40	53.53	53.31	52.50	52.00	54.00	54.80	48.00	47.05	44.50

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:

Year	TFSA contribution Limit	Cumulative Total
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
2022	$6,000	$81,500
2023	$6,500	$88,000
2024	$7,000	$95,000
2025	$7,000	$102,000
2026	$7,000	$109,000

MACKENZIE Investments

Mackenzie Tax and Estate Planning

2026 quick reference tax guide

Provincial/territorial income tax rates[1]

(current to January 2026)

British Columbia	
First $50,363	5.06%
$50,364 – $100,728	7.70%
$100,729 – $115,648	10.50%
$115,649 – $140,430	12.29%
$140,431 – $190,405	14.70%
$190,406 – $265,545	16.80%
$265,546 and over	20.50%
Alberta	
First $61,200	8.00%
$61,201 – $154,259	10.00%
$154,260 – $185,111	12.00%
$185,112 – $246,813	13.00%
$246,814 – $370,220	14.00%
$370,221 and over	15.00%
Saskatchewan	
First $54,532	10.50%
$54,533 – $155,805	12.50%
$155,806 and over	14.50%
Manitoba	
First $47,000	10.80%
$47,001 – $100,000	12.75%
$100,001 and over	17.40%

Ontario	
First $53,891	5.05%
$53,892 – $107,785	9.15%
$107,786 – $150,000	11.16%
$150,001 – 220,000	12.16%
$220,001 and over	13.16%
Quebec	
First $54,345	14.00%
$54,346 – $108,680	19.00%
$108,681 – $132,245	24.00%
$132,246 and over	25.75%
New Brunswick	
First $52,333	9.40%
$52,334 – $104,666	14.00%
$104,667 – $193,861	16.00%
$193,862 and over	19.50%
Nova Scotia	
First $30,995	8.79%
$30,996 – $61,991	14.95%
$61,992 – $97,417	16.67%
$97,418 – $157,124	17.50%
$157,125 and over	21.00%
Prince Edward Island	
First $33,928	9.50%
$33,929 – $65,820	13.47%
$65,821 – $106,890	16.60%
$106,891 – $142,520	17.62%
$142,521 and over	19.00%

Newfoundland and Labrador	
First $44,678	8.70%
$44,679 – $89,354	14.50%
$89,355 – $159,528	15.80%
$159,529 – $223,340	17.80%
$223,341 – $285,319	19.80%
$285,320 – $570,638	20.80%
$570,639 – $1,141,275	21.30%
$1,141,276 and over	21.80%
Yukon	
First $58,523	6.40%
$58,524 – $117,045	9.00%
$117,046 – $181,440	10.90%
$181,441 – $500,000	12.80%
$500,001 and over	15.00%
Northwest Territories	
First $53,003	5.90%
$53,004 – $106,009	8.60%
$106,010 – $172,346	12.20%
$172,347 and over	14.05%
Nunavut	
First $55,801	4.00%
$55,802 – $111,602	7.00%
$111,603 – $181,439	9.00%
$181,440 and over	11.50%

2026 top marginal tax rate

(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%	41.34%
Manitoba	50.40%	25.20%	37.78%	46.68%
Ontario	53.53%	26.77%	39.34%	47.74%
Quebec	53.31%	26.66%	40.11%	48.70%
New Brunswick	52.50%	26.25%	32.40%	46.84%
Nova Scotia	54.00%	27.00%	41.58%	49.99%
PEI	52.00%	26.00%	36.54%	47.92%
Newfoundland	54.80%	27.40%	46.20%	48.96%
Yukon	48.00%	24.00%	28.93%	44.04%
NWT	47.05%	23.52%	28.33%	36.82%
Nunavut	44.50%	22.25%	33.08%	37.79%

RRSP/TFSA contribution limits

18% of previous year's earned income to a maximum of	2026 – $33,810 2027 – $35,390
TFSA contribution limit	$7,000
Accumulated TFSA contribution limit[4]	$109,000

Withholding tax rates for RRSP/RRIF withdrawals

	Quebec	All other provinces
Up to $5,000	19%	10%
$5,001 – $15,000	24%	20%
Over $15,001	29%	30%

2026 Average tax rates

(Federal & Provincial Rates Combined. Includes any applicable provincial surtaxes and basic personal exemption)

Province/territory	$50,000	$100,000	$150,000	$200,000	$300,000	$500,000	$1,000,000
British Columbia	13.12%	20.09%	25.42%	29.70%	36.10%	43.06%	48.28%
Alberta	13.75%	21.35%	25.60%	29.04%	34.15%	39.55%	43.77%
Saskatchewan	15.61%	23.66%	27.96%	31.36%	36.02%	40.61%	44.06%
Manitoba	16.90%	24.52%	30.13%	33.80%	38.89%	43.67%	47.03%
Ontario	14.33%	21.52%	27.73%	32.36%	38.64%	44.60%	49.06%
Quebec	16.84%	26.15%	32.30%	36.42%	41.44%	46.19%	49.75%
New Brunswick	16.22%	24.70%	29.73%	33.25%	38.94%	44.37%	48.43%
Nova Scotia	18.43%	27.06%	31.89%	35.87%	41.19%	46.31%	50.16%
PEI	17.32%	26.16%	31.33%	35.09%	40.00%	44.80%	48.40%
Newfoundland	16.76%	25.47%	30.24%	33.88%	39.35%	45.13%	49.68%
Yukon	13.69%	20.82%	25.29%	28.72%	33.72%	38.55%	43.28%
NWT	13.15%	20.49%	25.57%	29.33%	34.51%	39.53%	43.29%
Nunavut	11.82%	18.93%	23.46%	26.92%	32.06%	37.03%	40.77%
Average	**15.23%**	**23.15%**	**28.20%**	**31.98%**	**37.31%**	**42.57%**	**46.61%**

2026 Canada Pension Plan (CPP) premiums and Quebec Pension Plan (QPP) premiums

	All provices/territories except Quebec		Quebec	
	Base Contribution	2nd additional contribution (CPP2)	Base Contribution	2nd additional contribution
Maximum pensionable earnings	$74,600		$74,600	
Basic exemption	$3,500		$3,500	
Maximum contributory earnings	$71,100		$71,100	
Additional maximum annual pensionable earnings		$85,000		$85,000
Additional maximum contributory earnings		$10,400		$10,400
Employee and employer rate	5.95%	4%	6.30%	4%
Maximum employee/employer contribution	$4,230	$416	$4,479	$416
Maximum self-employed contribution	$8,461	$832	$8,959	$832

2026 Employment Insurance (EI) premiums

	All provices/territories except Quebec	Quebec
Maximum yearly insurable earnings	$68,900	$68,900
Employee's premium rate	1.63%	1.30%
Employer's premium rate	2.28%	1.82%
Maximum yearly employee premium	$1,123.07	$895.70
Maximum yearly employer premium	$1,572.30	$1,253.98

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%

2026 CPP and QPP retirement benefit

CPP maximum monthly benefit
(assuming payments begin at age 65): **$1,507.65**

QPP maximum monthly benefit
(assuming payments begin at age 65): **$1,507.65**

2026 Old Age Security (OAS) payment rates

(January to March)

Maximum monthly benefit
Age 65 - 74: **$742.31**
Age 75 and over: **$816.54**

Maximum annual income
For the 2026 tax year, pensioners with net income of $95,323 or more are subject to OAS clawback. Clawback rate is 15% for each dollar beyond $95,323. OAS is fully eliminated once net income reaches $154,708 (age 65 to 74) and $160,647 (for age 75 and over). Applicable to payments made from July 2027 to June 2028.

2026 federal income tax rates[5]

First – $58,523	14.00%
$58,524 – $117,045	20.50%
$117,046 – $181,440	26.00%
$181,441 – $258,482	29.00%
$258,483 and over	33.00%
Basic personal exemption	$16,452

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 2025 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 The federal basic personal amount is gradually reduced when income is in excess of $181,440 and reduced to $14,829 when income reaches $258,483.

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MACKENZIE Investments

Mackenzie Tax and Estate Planning

2026 estate planning

Province/territory probate taxes

(current to January 2026)

Probate is the process of having a will validated by the courts. Probate taxes vary considerably between provinces and territories, but in most cases these taxes are a percentage of the value of the estate being probated.

Province/territory	Estate value	Probate fee/tax
Alberta	$10,000 or under	$35
	$10,001 – $25,000	$135
	$25,001 – $125,000	$275
	$125,001 – $250,000	$400
	$250,001 and over	$525 (Maximum)
British Columbia	$25,000 or under	Nil
	$25,001 – $50,000	$6 per $1,000 (0.6%)
	$50,001 and over	$14 per $1,000 (1.4%)
Manitoba	Probate tax eliminated in MB as of November 6, 2020	
New Brunswick	$5,000 or under	$25
	$5,001 – $10,000	$50
	$10,001 – $15,000	$75
	$15,001 – $20,000	$100
	$20,001 and over	$5 per $1,000 (0.5%)
Newfoundland & Labrador	$1,000 or under	$60
	$1,001 and over	$0.6 per $100 (0.6%)
Northwest Territories	$10,000 or under	$30
	$10,001 – $25,000	$110
	$25,001 – $125,000	$215
	$125,001 – $250,000	$325
	$250,001 and over	$435
Nova Scotia	$10,000 or under	$85.60
	$10,001 – $25,000	$215.20
	$25,001 – $50,000	$358.15
	$50,001 – $100,000	$1,002.65
	$100,001 and over	$16.95 per $1,000 (1.695%)
Nunavut	$10,000 or under	$30
	$10,001 – $25,000	$110
	$25,001 – $125,000	$215
	$125,001 – $250,000	$325
	$250,001 and over	$425
Ontario	$50,000 or under	Nil
	$50,001 and over	$15 per $1,000 (1.5%)
Prince Edward Island	$10,000 or under	$50
	$10,001 – $25,000	$100
	$25,001 – $50,000	$200
	$50,001 – $100,000	$400
	$100,001 and over	$4 per $1,000 (0.4%)
Quebec	No probate fees	Nominal registration fees apply
Saskatchewan	All estates	$7 per $1,000 (0.7%)
Yukon	$25,000 and under	Nil
	$25,001 and over	$140

Due date for final returns and balance owing for deceased individuals

Period when death occurred	Due date for the return
January 1 to October 31	April 30 of the following year
November 1 to December 31	Six months after the date of death

If the deceased or the deceased's spouse or common-law partner was self-employed, the following due dates for final returns are as follows:

Period when death occurred	Due date for the return
January 1 to December 15	June 15 of the following year
December 16 to December 31	Six months after the date of death

* Any balance owing would still be due April 30th of the year after death or six months after death if death occurred between November 1 and December 31.

RRSP and RRIF at death

The deceased is deemed to have received the fair market value of all property held in a Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) at the date of death. No amount is included in the deceased's income if the designated beneficiary or heir is an "eligible beneficiary" and certain conditions are met. An eligible beneficiary who acquires rights in an RRSP or an RRIF has several options for deferring the income tax on those amounts.

The following table summarizes the rules:

Heir/beneficiary	Amount taxable at death	Transferable to:[1]	
		RRSP/RRIF	Annuity
Spouse	Nil[1]	Yes	Yes
Child or grandchild financially dependent because of an infirmity	Nil[1]	Yes	Yes
Child or grandchild financially dependent not because of an infirmity	Nil[1]	No[3]	Yes[2]
Other	FMV	No	No

1 Certain terms and conditions may apply.

2 The annuity may provide for payments for a period of not more than 18 years, less the age of the child or grandchild when the annuity is purchased. Annuity payments must start no later than one year after the purchase.

3 If the child or grandchild is not infirm, the funds cannot be rolled over to their RRSP/RRIF.

Transfer from an RRSP or RRIF to an RDSP

It is possible to transfer funds held in RRSP or an RRIF at the time of death to a Registered Disability Savings Plan (RDSP) of a child or grandchild who was financially dependent on the deceased because of a mental or physical disability. However, the amount transferred must not exceed the beneficiary's RDSP contribution room of $200,000, and is not eligible for the Canadian Disability Savings Grant/Bond.

Transfer from RRSP or RRIF to a Lifetime Benefit Trust

Lifetime Benefit Trust

Section 60.011 of the Income Tax Act ("ITA") of Canada provides for the creation of a Lifetime Benefit Trust (LBT"), which is a discretionary testamentary trust that is funded by the tax deferred proceeds of a registered plan (RRSP, RRIF, PRPP, RPP or SPP). The LBT is required by the ITA to use the registered plan proceeds to purchase a Qualifying Trust Annuity ("QTA") for the sole benefit of a mentally infirm spouse/common law Partner of the deceased or the mentally infirm and dependent child or grandchild of the deceased. The QTA must either be for the lifetime of the beneficiary of the trust or for a fixed term equal to 90 years minus the age of the sole beneficiary of the LBT.

Province/territory intestacy rules

- "Intestate" is the term used when an individual dies without a will.
- Each province/territory has its own laws as to how assets are to be divided when someone dies without a will.

Province/territory	Spouse and one child	Spouse and children
Alberta[1a]	If all children are also children of surviving spouse, entire estate goes to spouse; if any of the children are not also children of the surviving spouse, the spouse gets 50% of the value of the estate, and the children receive the remainder of the estate.	
British Columbia[1b]	If all children are also children of the surviving spouse, first $300,000[6] + ½ of the remainder goes to spouse; if any of the children are not also children of the surviving spouse, the first $150,000 go to the spouse[6], ½ of the balance goes to the spouse, ½ of the balance to the children.	
Manitoba[1g]	If all children are also children of surviving spouse, entire estate goes to spouse; if any of the children are not also children of surviving spouse, greater of $50,000 and half of estate goes to spouse[5]. Remainder of estate is split ½ and ½ between spouse and children.	
New Brunswick	Marital property of deceased and spouse, to spouse; balance split equally[1]	Marital property of deceased and spouse, to spouse; ⅓ of the balance to spouse; ⅔ of the balance to children[1]
Nfld and Labrador	Split equally[1]	⅓ to spouse; ⅔ to children[1]
NWT/Nunavut[1e]	First $50,000 to spouse, balance split equally[1, 2]	First $50,000 to spouse; ⅓ balance to spouse, ⅔ balance to children[1, 2]
Nova Scotia[1c]	First $50,000 to spouse; balance split equally[1]	First $50,000 to spouse[2]; ⅓ of the balance to spouse; ⅔ of the balance to children[1]
Ontario	First $350,000 to spouse; balance split equally[1, 4, 7]	First $350,000 to spouse; ⅓ of the balance to spouse; ⅔ of the balance to children[1, 4]
Prince Edward Island	Split equally[1]	⅓ to spouse; ⅔ to children[1]
Quebec[1d]	⅓ to spouse; ⅔ to child[1]	⅓ to spouse; ⅔ to children[1]
Saskatchewan[1b]	First $200,000 to spouse; balance split equally[1, 7]	First $200,000 to spouse; ⅓ of the balance to spouse; ⅔ of the balance to children[1, 7]
	If all children are also children of surviving spouse, entire estate goes to spouse; if any of the children are not also children of the surviving spouse, the spouse gets 50% of the value of the estate, and the children receive the remainder of the estate.	
Yukon[1f]	First $75,000 to spouse, balance split equally[1]	First $75,000 to spouse; ⅓ balance to spouse, ⅔ balance to children[1]

Commonly used CRA guides

P105	Students and Income Tax
P113	Gifts and Income Tax
RC4110	Employee or Self-employed?
RC4112	Lifelong Learning Plan (LLP)
RC4169	Tax Treatment of Mutual Funds for Individuals
RC4177	Death of an RRSP Annuitant
RC4178	Death of a RRIF Annuitant
T4002	Self-employed Business, Professional, Commission, Farming, and Fishing Income
T4011	Preparing Returns for Deceased Persons
T4036	Rental Income
T4037	Capital Gains
T4040	RRSPs and Other Registered Plans for Retirement
T4055	Newcomers to Canada
T4058	Non-Residents and Income Tax

Mackenzie tax brochures

Income Splitting
Mackenzie Charitable Giving Program Guide
Fundamentals of Trusts
TFSA Investor Guide
Guide to Registered Disability Savings Plans
Tax and Estate Business Owners Kit
RRSP or TFSA
RRSP Guide
RESP Guide
RDSP, Henson Trust or TFSA
Legacy and Life Events

For more information, please visit mackenzieinvestments.com/taxandestate

Note:

In some cases, provincial Family Law Acts can override these distribution formulas.

1 Issue of a deceased child (i.e., grandchildren, great-grandchildren) takes that child's share.
1a In addition to "spouse", the Alberta Will and Succession Act refers to and accords equal rights to an "adult interdependent partner" or AIP.
1b "Spouse" in British Columbia and Saskatchewan includes common-law same-sex partners.
1c Domestic partners (common-law partners of any sex registered as such in Nova Scotia) will have the same rights and obligations as spouses under the Intestate Succession Act.
1d A civil union spouse has the same rights to inherit as a spouse. A civil union is a new legal institution in Quebec which entitles couples, whether of the same or opposite sex, to similar legal rights and obligations as married spouses.
1e Includes common-law partners.
1f If an intestate dies leaving a common-law spouse, under the Estate Administration Act, the court may order that whatever portion of the intestate's property that it deems appropriate be retained and allotted to the common-law spouse for support and maintenance.
1g The Intestate Succession Act of Manitoba, provides common-law opposite-sex or same sex partners with equal rights to those of a married spouse upon intestacy.
2 Spouse may elect to receive house and contents in lieu of $50,000.
3 Plus household furniture and life interest in family home.
4 Subject to possible equalization claim under Family Law Act.
5 Plus, life interest in the home (Homestead Act) and a possible equalization payment under the Family Property Act.
6 Plus, household furniture.
7 Ontario - based on Ontario Regulation 54/95 "preferential share" equals $350,000 as of March 1, 2021. Saskatchewan – based on I-13.2 Reg 1 "prescribed amount" equals $200,000.

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Tax planning

Individual savings plans

Registered Retirement Savings Plans (RRSPs) are available to help Canadians save for their retirement years. Tax-Free Savings Accounts (TFSAs) are available to Canadians age 18 and older to provide a savings vehicle to meet any ongoing savings need. First Home Savings Accounts (FHSA) combine aspects of an RRSP and TFSA to help Canadians 18 and older save for a first home purchase.

The tax assistance provided by a TFSA is, in many ways, the opposite to that provided through RRSPs. The tax assistance provided by an FHSA will depend on the type of withdrawal.

- RRSP contributions are tax deductible, with both the contributions and the investment earnings taxable upon withdrawal. Withdrawals are included in income and considered in determining eligibility for income-tested benefits and tax credits
- TFSA contributions are made from after-tax income, with both the contributions and the investment earnings exempt from tax upon withdrawal. Withdrawals won't affect eligibility for income-tested benefits or tax credits
- FHSA contributions are tax deductible. Contributions and earnings are tax exempt when a withdrawal for a first home purchase is made. Withdrawals for any other reason are taxable and considered in determining eligibility for income-tested benefits and tax credits

Determining which savings plan, or combination of savings plans, is best depends on an individual's personal situation and objectives.

Comparison of savings options

	Registered Retirement Savings Plans (RRSP)	Tax-Free Savings Accounts (TFSA)	First Home Savings Account (FHSA)
Annual contribution limit	Yes, based on previous year's earned income	Yes, an annual limit but no earning requirements	$8,000 annual and $40,000 lifetime
Carry forward of unused room	Yes	Yes	Yes, up to a maximum of $8,000
Monthly penalty on excess contribution	Yes, calculated at month end	Yes, calculated on the highest excess during the month[1]	Yes, calculated on the highest excess during the month
Tax deductible contribution	Yes	No	Yes
Tax deferred/free investment growth	Tax deferred	Tax free	Tax free home purchase withdrawal, tax deferred if transferred to an RRSP/RRIF
Taxable on withdrawal	Withdrawals are taxable	Withdrawals are tax free except for growth after death if no successor holder	Withdrawals are taxable except for home purchase withdrawals
Withdrawals added to contribution room	No	Yes, but not until the following year[2]	No
Impacts federal income-tested benefits and credits	Yes	No	Yes - taxable withdrawals No - home purchase
Minimum age to contribute	None	18	18
Maximum age to contribute	At the end of the 71st year, or 71st year of spouse in case of spousal plan	None	The earliest of the end of the year after a home purchase withdrawal, the 15th year since opening, or the end of your 71st year
Interest deductible on loan to invest	No	No	No
Assets used as collateral for a loan	No	Yes	No
Tax-free/deferred transfer to spouse/ common-law partner at death	Yes	Yes - if successor holder or value at date of death	Yes - if successor holder or value at date of death
Tax-free/deferred transfer to second generation at death	No - taxable unless financially dependent	Yes - investment income after date of death is taxable	No - taxable to beneficiary
Loss denied on transfer-in-kind to plan	Yes	Yes	Yes

1 Any income attributable to deliberate over-contributions will be taxed at 100%. **2** Subject to the exception for a specified distribution as defined in subsection 207.01(1) of the *Income Tax Act* (Canada).

Tip

To earn CE credits on topics such as tax planning, visit Manulife's Continuing Education Centre.
Log in: Manulife.ca/advisors.

Annual contribution limits for RRSPs, TFSAs and FHSAs

RRSP

Year	Maximum dollar amount
2025	$32,490
2026	$33,810

Source: Canada Revenue Agency, 2025.

- Annual RRSP limit applies to the total contributions to all of an individual's RRSPs, spousal RRSPs, and group RRSPs
- Contribution limit = 18% of earned income in previous year up to the annual dollar limit, adjusted for certain pension amounts
- For clients over age 18, $2,000 over-contribution is allowed
- Tax in respect of over-contributions (beyond $2,000 maximum) is 1% per month on the excess amount at the end of the month

Spousal RRSP

- Contributor claims tax deduction, but spouse or common-law partner who owns the plan makes all the investment decisions and is the legal owner
- Main advantage: opportunity for income splitting at any age and not limited to 50%
- Clients over age 71 who have available contribution room can contribute to a spousal RRSP if their spouse is under 72
- Generally, attribution will apply on withdrawals made from a spousal plan if there were any contributions made by the spouse in the current calendar year or previous two calendar years

Fact

The RRSP contribution deadline for the 2025 taxation year is Monday March 2, 2026.

TFSA

Years	Annual limit	Cumulative limit
2009-2012	$5,000	$20,000
2013-2014	$5,500	$31,000
2015	$10,000	$41,000
2016-2018	$5,500	$57,500
2019-2022	$6,000	$81,500
2023	$6,500	$88,000
2024-2026	$7,000	$109,000

Source: Canada Revenue Agency, 2025.

- Annual contribution limit is currently $7,000 per year. Increases, rounded to the nearest $500, will be applied as warranted by the consumer price index
- Tax in respect of over-contributions is 1% per month on the highest excess contribution at any time during the month
- Withdrawals in a year will be added to contribution room in the following calendar year subject to the exception for a specified distribution as defined in subsection 207.01(1) of the *Income Tax Act* (Canada)
- Any income attributable to deliberate over-contributions will be taxed at 100%.

FHSA

Annual participation room	Maximum carry-forward	Maximum combined total	Lifetime participation room
$8,000	$8,000	$16,000	$40,000

Source: Canada Revenue Agency, 2025.

- You must be at least 18 years old to open an FHSA
- Participation room doesn't begin to accumulate until an account is opened
- Contributions for the calendar year can be deducted that same year or carried forward
- Contributions in the first 60 days can't be deducted in the previous tax year like RRSP contributions
- There are no spousal accounts

A comparison of the HBP and the FHSA

Canadian residents have access to three different registered plans to help them save toward the purchase of their first home: the tax-free savings account (TFSA), the registered retirement savings plan (RRSP) and the first home savings account (FHSA). For TFSAs, the existing rules for contributions and withdrawals apply and there are no unique provisions for withdrawals used to purchase a home. Meanwhile, the Home Buyers' Plan (HBP) allows an individual with an RRSP to withdraw tax-free for the purchase of a home if they make the required repayments. Finally, the FHSA was specifically designed to allow individuals to save for and make tax-free withdrawals for purchasing a home. The following chart compares the requirements of the HBP and FHSA to help individuals decide which option or combination is most appropriate for their future home purchase. For a comparison of RRSPs, TFSAs and FHSAs see the table on page 3.

	Home Buyers' Plan (HBP)	First Home Savings Account (FHSA)	
Eligibility to open account	RRSP - under age 71, Canadian resident, valid SIN, file a tax return	Over 18 and under 71 years of age, Canadian resident, first-time home buyer	Requirements to open
First-time home buyer condition to open account	No first-time home buyer condition to open an RRSP	Yes, didn't own and live in a principal residence in last 5 years and didn't live in a principal residence owned by spouse/didn't have a spouse	
Contribution limits	Yes for RRSP, based on previous year's earned income	$8,000 annual maximum, $8,000 maximum carry-forward of unused room and a $40,000 lifetime limit	Contributions and transfers
Contributions tax deductible	Yes for RRSP contributions made at least 90 days before eligible withdrawal	Yes, except unused contributions made after qualifying withdrawal	
Spousal plan and contributions	Spousal RRSP - contributor spouse can make tax deductible contributions up to their RRSP contribution limit and annuitant can withdraw for home purchase	No spousal plans - contributor can gift funds to annuitant to contribute to their own FHSA	
Transfer between RRSP and FHSA with same annuitant	Yes, direct transfers from FHSA don't impact RRSP contribution room	Yes, direct transfers from RRSP are subject to one's FHSA contribution limits and aren't tax deductible. No, for spousal RRSP where contributor spouse made contributions in year of transfer or previous 2 years	
Withdrawal for home purchase	Eligible withdrawal - Canadian resident, written agreement to buy or build home and intend to occupy as principal residence.	Qualifying withdrawal - Canadian resident, written agreement to buy or build home and intend to occupy as principal residence.	Withdrawals as first-time homebuyer
Tax treatment of withdrawal	Eligible withdrawal is not taxable if repaid according to the repayment requirements. Taxable if not repaid.	Qualifying withdrawal is tax-free. Any other withdrawal is taxable.	
First-time home buyer condition to withdraw	Yes subject to exceptions (specified disabled person and marriage or common-law relationship breakdown), didn't own and live in a principal residence in last 5 years and didn't live in a principal residence owned by spouse/didn't have a spouse	Yes, didn't own and live in a principal residence in last 5 years	
Timeframe for withdrawal for home purchase	Home acquisition or completion date before October 1 of year following withdrawal date and no later than 30 days after home acquisition	Home acquisition or completion date before October 1 of year following withdrawal date and no later than 30 days after home acquisition	
Maximum withdrawal amount	Eligible withdrawal - $60,000 per individual; $120,000 combined for spouses	Qualifying withdrawal - Total value of individual's FHSA or spouses' combined FHSA account balances	
Use both plans for same home purchase	Yes, all conditions for each plan must be met. Applies to spouses as well as individuals.		

A comparison of the HBP and the FHSA (continued)

	Home Buyers' Plan (HBP)	First Home Savings Account (FHSA)	
Attribution on withdrawals	No, for eligible withdrawals from spousal RRSP. Yes for other taxable withdrawals from spousal RRSP to extent contributions made in year of withdrawal or previous 2 years	No	Other points of interest
Purchase home for specified disabled person	Yes, if you are Canadian resident and have no outstanding HBP balance and they are related, entitled to disability amount, purchase and intend to occupy home as principal residence.	No	
Eligibility due to marriage or common-law relationship breakdown	Yes. Neither individual has to be a first-time home buyer. Must be living separate and apart for at least 90 days, not live with a new spouse that owns principal residence and either purchase a new principal residence or buyout other spouse's interest in current principal residence.	No	
Repayment requirement	Yes over 15 years - for eligible withdrawals between January 1, 2022 and December 31, 2025, repayments begin 5 years after withdrawal. For eligible withdrawals before January 1, 2022, repayments begin 2 years after withdrawal.	No	
Eligible to participate more than once	Yes if you have no outstanding HBP balance and re-qualify as first-time home buyer, or purchase home for specified disabled individual, or qualify due to marriage or common-law relationship breakdown	No	

Registered education savings plans (RESPs)

Restriction	Details
Contribution maximum	Lifetime maximum of $50,000 per beneficiary; no annual maximum
Contribution age limit	Final contribution must be made by the end of the 31st year after the year the plan is entered into for all plans, and in addition before a beneficiary's 31st birthday for a family plan
Plan age limit	RESP must be collapsed before December 31 of the 35th year following the year the plan is entered into
Over-contribution penalty	1% per month of the over-contribution amount at the end of the month
Canada Education Savings Grant (CESG)	20% of the annual contribution to an RESP on the first $2,500 contributed each year per beneficiary, until the end of the year in which the beneficiary turns 17, up to a maximum of $7,200; the CESG does not count towards the $50,000 contribution maximum; note the government has enhanced the CESG for low income families[1]
Canada Learning Bond	Available for eligible children from low-income families that provides an initial payment of $500 for the first year, plus $100 for each additional year, up to age 15, for a maximum of $2,000. Personal contributions are not required to receive it
Refund of contributions	Subscribers can withdraw their contributions tax-free at any time; however, the plan may have to repay CESG
Educational assistance payments (EAPs)	Generally, $8,000 maximum payout for full-time students within first 13 weeks of a qualifying education program; no limits after 13 weeks; generally, $4,000 maximum payout for part-time students provided certain conditions are met

Source: **Canada Revenue Agency, 2025**.

1 For families with income below the first federal tax bracket, the CESG will increase to 40% on the first $500 contributed to an RESP. For families with income between the first and second federal tax brackets, the CESG will increase to 30% on the first $500 contributed to an RESP for the year. Some RESP providers are currently not offering this feature.

Registered disability savings plans (RDSPs)

Restriction	Details
Contribution maximum	Lifetime maximum of $200,000 per beneficiary; no annual maximum
Contribution age limit	Final contribution must be made by end of the year the beneficiary turns 59
Canada Disability Savings Grant (CDSG)	A matching grant of 300%, 200%, or 100%, depending on the beneficiary's adjusted family net income[1] and the amount contributed. There's an annual maximum of $3,500 and a $70,000 lifetime maximum. Grants can be paid on contributions made until the year the beneficiary turns 49
Canada Disability Savings Bond (CDSB)	Up to $1,000 a year for low-income[2] beneficiaries. No contributions are required to receive the bond. The lifetime bond limit is $20,000. It can be paid until the year in which the beneficiary turns 49
Unused grant and bond carry forward amounts	Up to the year the beneficiary turns 49, up to 10 years of unused grant and bond entitlements can be carried forward. The maximum annual amount that'll be paid is $10,500 for grants and $11,000 for bonds
Disability assistance payments (DAPs)	A payment from an RDSP to the beneficiary or to their estate after their death. It can be requested at any time and may consist of contributions, grant, bond, proceeds from rollovers and income earned in the account
Lifetime disability assistance payments (LDAPs)	Must begin by the end of the year in which the beneficiary turns 60. Once started, must be paid at least annually (subject to annual limit) until either the plan is terminated or the beneficiary has died

Source: **Canada Revenue Agency, 2025**.

1 When adjusted net family income is below the second federal tax bracket, grants are paid at 300% on the first $500 contribution and 200% on the next $1,000 contributed. When net family income is above this threshold, grants are paid at 100% on the first $1,000 contributed. **2** When adjusted net family income is below the first threshold for the Canada Child Benefit, $1,000 in bond is paid. Above this threshold, up to the first federal tax bracket, the bond received is reduced using a formula.

Life Income Funds

2026 LIF Minimum/Maximum Withdrawal Percentages

Age as at: Jan 1, 2026	Minimum withdrawal percentage (non-qualified)	Maximum withdrawal percentage for: Ontario,[1] New Brunswick, Saskatchewan,[2] Newfoundland,[3] British Columbia,[3] Alberta[4]	Maximum withdrawal percentage for: Manitoba,[5] Nova Scotia	Maximum withdrawal percentage for: Federal/ PBSA (LIF & RLIF)	Maximum withdrawal percentage for: Quebec[6]
50	2.50	6.27	6.10	4.99	6.25
51	2.56	6.31	6.10	5.03	6.25
52	2.63	6.35	6.10	5.07	6.25
53	2.70	6.40	6.10	5.11	6.25
54	2.78	6.45	6.10	5.16	6.25
55	2.86	6.51	6.40	5.21	—
56	2.94	6.57	6.50	5.26	—
57	3.03	6.63	6.50	5.32	—
58	3.13	6.70	6.60	5.39	—
59	3.23	6.77	6.70	5.46	—
60	3.33	6.85	6.70	5.53	—
61	3.45	6.94	6.80	5.61	—
62	3.57	7.04	6.90	5.70	—
63	3.70	7.14	7.00	5.80	—
64	3.85	7.26	7.10	5.91	—
65	4.00	7.38	7.20	6.03	—
66	4.17	7.52	7.30	6.16	—
67	4.35	7.67	7.40	6.30	—
68	4.55	7.83	7.50	6.47	—
69	4.76	8.02	7.70	6.65	—
70	5.00	8.22	7.90	6.85	—
71	5.28	8.45	8.10	7.08	—
72	5.40	8.71	8.30	7.34	—
73	5.53	9.00	8.50	7.64	—
74	5.67	9.34	8.80	7.98	—
75	5.82	9.71	9.10	8.38	—
76	5.98	10.15	9.40	8.84	—
77	6.17	10.66	9.80	9.37	—
78	6.36	11.25	10.30	9.99	—
79	6.58	11.96	10.80	10.73	—
80	6.82	12.82	11.50	11.61	—
81	7.08	13.87	12.10	12.70	—
82	7.38	15.19	12.90	14.05	—
83	7.71	16.90	13.80	15.80	—
84	8.08	19.19	14.80	18.13	—
85	8.51	22.40	16.00	21.40	—
86	8.99	27.23	17.30	26.30	—
87	9.55	35.29	18.90	34.48	—
88	10.21	51.46	20.00	50.86	—
89	10.99	100.00	20.00	100.00	—
90	11.92	—	20.00	—	—
91	13.06	—	20.00	—	—
92	14.49	—	20.00	—	—
93	16.34	—	20.00	—	—
94	18.79	—	20.00	—	—
95	20.00	—	20.00	—	—

Note: **Alberta, Manitoba, New Brunswick & British Columbia** pension legislation permits LIF clients who begin a LIF in the middle of a calendar year with funds transferred from a LIRA or pension plan to take the FULL maximum payment for the year. First year payments under the other jurisdictions must be prorated based on the number of months the LIF was in force.

1 Ontario New LIF, Ontario Old LIF, Ontario LRIF maximum calculation is based on the greater of a) the result using the factor and b) the previous year's investment returns. **2** Saskatchewan LIFs must be converted to a life annuity at age 80. **3** British Columbia/Newfoundland LIF maximum calculation is the greater of 1) the result using the applied factors and 2) the previous year's investment returns under the same LIF contract. **4** Alberta LIF maximum calculation is based on the greater of 1) the result using the new factors or 2) the previous year's investment returns. **5** Manitoba LIF maximum calculation is based on the greater of a) the result using the factor and b) the previous year's investment returns + 6% of the value of all transfers in from a LIRA or Pension Plan during the current year. **6** In Quebec, for clients aged 55 or over, there is no maximum related to withdrawals.

Tip

For more information on how LIF maximums are calculated, visit Advisor Portal (login required).