

AIC TAX RATE CARD

Marginal Tax Rates for 2003 Updated February 2003

British Columbia

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 8,307	16.00	8.00	3.33		
8,308 to 31,653	22.05	11.03	4.51		
31,654 to 32,183	25.15	12.58	8.39		
32,184 to 63,308	31.15	15.58	15.89		
63,309 to 64,368	33.70	16.85	19.08		
64,369 to 72,685	37.70	18.85	24.08		
72,686 to 88,260	39.70	19.85	26.58		
88,261 to 104,648	40.70	20.35	27.83		
104,649 and over	43.70	21.85	31.58		

Alberta

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 13,525	16.00	8.00	3.33		
13,526 to 32,183	26.00	13.00	7.83		
32,184 to 64,368	32.00	16.00	15.33		
64,369 to 104,648	36.00	18.00	20.33		
104,649 and over	39.00	19.50	24.08		

Saskatchewan

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 8,000	16.00	8.00	3.33		
8,001 to 32,183	27.00	13.50	7.08		
32,184 to 35,000	33.00	16.50	14.58		
35,001 to 64,368	35.00	17.50	17.08		
64,369 to 65,000	39.00	19.50	22.08		
65,001 to 104,648	41.00	20.50	24.58		
104,649 and over	44.00	22.00	28.33		

Manitoba

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 8,884	16.00	8.00	3.33		
8,885 to 22,500	27.90	13.95	11.96		
22,501 to 30,544	26.90	13.45	10.71		
30,545 to 32,183	30.90	15.45	15.71		
32,184 to 64,368	36.90	18.45	23.21		
64,369 to 65,000	40.90	20.45	28.21		
65,001 to 104,648	43.40	21.70	31.33		
104,649 and over	46.40	23.20	35.08		

Ontario

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 10,809	16.00	8.00	3.33		
10,810 to 13,800	28.10	14.05	5.63		
13,801 to 32,183	22.05	11.02	4.48		
32,184 to 32,435	28.05	14.03	11.98		
32,436 to 57,109	31.15	15.58	15.86		
57,110 to 64,368	32.98	16.49	16.87		
64,369 to 64,871	36.98	18.49	21.87		
64,872 to 67,288	39.39	19.70	24.88		
67,289 to 104,648	43.41	21.70	27.59		
104,649 and over	46.41	23.20	31.33		

Quebec

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 11,213	13.36	6.68	2.78		
11,214 to 27,095	29.36	14.68	9.24		
27,096 to 32,183	33.36	16.68	14.24		
32,184 to 54,195	38.37	19.18	20.50		
54,196 to 64,368	42.37	21.18	25.50		
64,369 to 104,648	45.71	22.85	29.68		
104,649 and over	48.22	24.11	32.81		

New Brunswick

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 11,124	16.00	8.00	3.33		
11,125 to 12,500	25.68	12.84	10.80		
12,501 to 19,020	30.68	15.34	17.06		
19,021 to 32,183	25.68	12.84	10.80		
32,184 to 64,368	36.82	18.41	24.74		
64,369 to 104,648	42.52	21.26	31.85		
104,649 and over	46.84	23.42	37.26		

Nova Scotia

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 10,302	16.00	8.00	3.33		
10,303 to 15,000	25.77	12.89	5.92		
15,001 to 21,000	30.77	15.38	12.16		
21,001 to 29,590	25.77	12.89	5.92		
29,591 to 32,183	30.95	15.48	12.40		
32,184 to 59,180	36.95	18.48	19.89		
59,181 to 64,368	38.67	19.34	22.05		
64,369 to 79,527	42.67	21.33	27.04		
79,528 to 104,648	44.34	22.17	28.17		
104,649 and over	47.34	23.67	31.92		

PEI

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 9,963	16.00	8.00	3.33		
9,964 to 15,000	25.80	12.90	5.96		
15,001 to 20,000	30.80	15.40	12.21		
20,001 to 30,754	25.80	12.90	5.95		
30,755 to 32,183	29.80	14.90	10.96		
32,184 to 51,859	35.80	17.90	18.46		
51,860 to 61,509	37.18	18.59	19.22		
61,510 to 64,368	40.37	20.19	23.21		
64,369 to 104,648	44.37	22.19	28.21		
104,649 and over	47.37	23.69	31.96		

Newfoundland

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,410	-	-	-	-	-
7,411 to 7,756	10.57	5.29	6.96		
7,757 to 29,590	26.57	13.28	10.29		
29,591 to 32,183	32.16	16.08	17.28		
32,184 to 58,598	38.16	19.08	24.78		
58,599 to 59,180	39.61	19.81	26.04		
59,181 to 64,368	41.64	20.82	28.58		
64,369 to 104,648	45.64	22.82	33.58		
104,649 and over	48.64	24.32	37.33		

Northwest Territories

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 11,050	16.00	8.00	3.33		
11,051 to 32,183	23.20	11.60	4.83		
32,184 to 64,368	31.90	15.95	15.71		
64,369 to 104,648	37.70	18.85	22.96		
104,649 and over	42.05	21.03	28.39		

Nunavut

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 10,160	16.00	8.00	3.33		
10,161 to 32,183	20.00	10.00	0.83		
32,184 to 64,368	29.00	14.50	12.08		
64,369 to 104,648	35.00	17.50	19.58		
104,649 and over	40.50	20.25	26.46		

Yukon

Taxable Income			Marginal Tax Rates (%)		
	Interest and Regular Income	Capital Gains	Canadian Dividends		
\$ - to 7,756	-	-	-	-	-
7,757 to 32,183	23.04	11.52	4.80		
32,184 to 64,368	31.68	15.84	15.60		
64,369 to 74,550	37.44	18.72	22.80		
74,551 to 104,648	38.01	19.01	23.14		
104,649 and over	42.40	21.20	28.63		

The above rates are the combined federal and provincial marginal rates, including all surtaxes. It is assumed that the only credits claimed are the basic personal amount and the low income tax reduction (where applicable). These rates are correct as at February 28, 2003 and do not reflect changes resulting from federal or provincial announcements after that date.

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Federal Tax Brackets – 2003

Taxable Income	Federal Tax at Bottom End of Bracket	Plus this Marginal Rate on the Excess
\$0 to \$32,183	Nil	16%
\$32,184 to \$64,368	\$5,149	22%
\$64,369 to \$104,648	\$12,230	26%
\$104,649 and over	\$22,703	29%

Federal Personal Tax Credits – 2003

	Gross	Credit (16%)
Basic personal	\$7,756	\$1,241
Married/equivalent ¹	6,586	1,054
Dependants over 18 and infirm ²	3,663	586
Age ³	3,787	606
Disability	6,279	1,005
Caregiver ⁴	3,663	586

¹ Reduced by spouse's net income in excess of \$659.

² Reduced by dependant's net income in excess of \$5,197.

³ Reduced by an amount equal to 15% of net income exceeding \$28,193.

⁴ Reduced by dependant's net income in excess of \$12,509.

Additional Non-Refundable Federal Tax Credits

Pension income	16% of up to \$1,000 for a maximum credit of \$160
Medical expense	16% of amount in excess of: lesser of a) 3% of net income and b) \$1,755
Tuition fees	16% of amount paid in respect of attendance at a post-secondary institution
Education amount	16% of \$400/month of full-time (\$120/month of part-time) attendance at a post-secondary institution
Charitable donations	16% for first \$200, 29% of the balance; donations limited to 75% of net income ¹
Canada pension	16% of contributions
Employment insurance	16% of premiums paid

¹ 100% in the year of death and the year prior to death.

Canada Pension Plan Contributions – 2003

CPP maximum pensionable earnings	\$39,900
Basic exemption	3,500
Maximum contributory earnings	36,400
Maximum contributions:	
Employees (4.95%)	1,801.80
Self-employed (9.9%)	3,603.60

Employment Insurance Premiums – 2003

Maximum insurable earnings	\$39,000	
Employee maximum premium:	2.10% X \$39,000	\$819.00
Employer maximum premium ¹ :	2.94% X \$39,000	\$1,146.60

¹ Equals 1.4 X the employee rate

Dividends

The following actual amount of 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	\$29,280	New Brunswick	\$12,400
Alberta	\$29,280	Nova Scotia	\$24,710
Saskatchewan	\$23,460	Prince Edward Island	\$25,660
Manitoba	\$12,255	Newfoundland	\$11,250
Ontario	\$29,280	NWT	\$29,280
Quebec	\$25,105	Nunavut	\$29,280
		Yukon	\$29,280

For federal tax purposes the gross-up rate for dividends is 25%. The federal dividend tax credit is 13 1/3 % of the grossed-up dividend.

Capital Gains vs. Dividends

Capital gains are taxed at lower rates than dividends from a Canadian corporation, but only once taxable income reaches a certain threshold. For taxable incomes below the following thresholds, Canadian dividends will be taxed at lower rates than capital gains.

British Columbia	\$32,184	New Brunswick	\$32,184
Alberta	\$64,369	Nova Scotia	\$32,184
Saskatchewan	\$64,369	Prince Edward Island	\$32,184
Manitoba	\$30,544	Newfoundland	\$29,591
Ontario	\$32,440	NWT	\$64,369
Quebec	\$32,184	Nunavut	\$64,369
		Yukon	\$64,369

Old Age Security Benefits

The following amounts represent the maximum benefits available under the OAS program:

2002	January to March	442.66
	April to June	442.66
	July to September	443.99
	October to December	449.32
2003	January to March	453.36

For 2003, benefits are repayable if net income exceeds \$57,879. The repayment is 15% of excess income to a maximum of the OAS received. OAS is eliminated once income reaches \$94,148. A tax-free Guaranteed Income Supplement (GIS) of up to \$539 monthly is available for low-income individuals.

Canada Pension Plan Benefits

The following amounts represent the maximum benefits available under the CPP program:

	Annual Total	2003 (monthly)
Death benefit (lump sum)	2,500.00	-
Retirement benefit	9,615.00	801.25
Disability benefit	11,655.12	971.26
Survivor's benefit – under 65	5,339.52	444.96
– over 65	5,769.00	480.75
Children of disabled person	2,240.52	186.71
Children of deceased person	2,240.52	186.71

RRSP Contribution Limits

Year	18% of earned income from the prior year to a maximum of:
2003	14,500
2004	15,500
2005	16,500
2006	18,000
2007	Indexed to inflation

Note: These contribution limits reflect changes proposed in the 2003 federal budget.

Minimum RRIF Withdrawals

The minimum withdrawal from a RRIF is based on the value of the assets in the plan on January 1 of each year. RRIFs established prior to 1993 are generally "qualifying RRIFs" and withdrawals may be slightly lower than the percentages below for ages 71 through 77 inclusive. The percentages below are for post 1992 RRIFs. Contact AIC's Tax Smart team at taxsmart@aic.com for more information.

Age of January 1	%	Age of January 1	%
65	4.00	80	8.75
66	4.17	81	8.99
67	4.35	82	9.27
68	4.55	83	9.58
69	4.76	84	9.93
70	5.00	85	10.33
71	7.38	86	10.79
72	7.48	87	11.33
73	7.59	88	11.96
74	7.71	89	12.71
75	7.85	90	13.62
76	7.99	91	14.73
77	8.15	92	16.12
78	8.33	93	17.92
79	8.53	Over 94	20.00

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