

AIC TAX RATE CARD

Marginal Tax Rates for 2004 Updated February 2004

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividend
\$ -	to \$8,011	-	-	-
8,012	to 8,522	16.00	8.00	3.33
8,523	to 32,475	22.05	11.03	4.51
32,476	to 34,999	25.15	12.58	8.39
35,000	to 64,953	31.15	15.58	15.89
64,954	to 69,999	33.70	16.85	19.08
70,000	to 74,574	37.70	18.85	24.08
74,575	to 90,554	39.70	19.85	26.58
90,555	to 113,803	40.70	20.35	27.83
113,804	and over	43.70	21.85	31.58

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 14,336	16.00	8.00	3.33
14,337	to 34,999	26.00	13.00	7.83
35,000	to 69,999	32.00	16.00	15.33
70,000	to 113,803	36.00	18.00	20.33
113,804	and over	39.00	19.50	24.08

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 8,263	16.00	8.00	3.33
8,264	to 34,999	27.00	13.50	7.08
35,000	to 36,154	33.00	16.50	14.58
36,155	to 69,999	35.00	17.50	17.08
70,000	to 103,299	39.00	19.50	22.08
103,300	to 113,803	41.00	20.50	24.58
113,804	and over	44.00	22.00	28.33

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 8,882	16.00	8.00	3.33
8,883	to 22,499	27.90	13.95	11.96
22,500	to 30,543	26.90	13.45	10.71
30,544	to 34,999	30.00	15.00	14.58
35,000	to 64,999	36.00	18.00	22.08
65,000	to 69,999	39.40	19.70	26.33
70,000	to 113,803	43.40	21.70	31.33
113,804	and over	46.40	23.20	35.08

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 11,117	16.00	8.00	3.33
11,118	to 14,191	28.10	14.05	5.63
14,192	to 33,374	22.05	11.02	4.48
33,375	to 34,999	25.15	12.58	8.36
35,000	to 58,767	31.15	15.58	15.86
58,768	to 66,751	32.98	16.49	16.87
66,752	to 69,237	35.39	17.70	19.88
69,238	to 69,999	39.41	19.70	22.59
70,000	to 113,803	43.41	21.70	27.59
113,804	and over	46.41	23.20	31.34

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 11,499	13.36	6.68	2.78
11,500	to 27,634	29.36	14.68	9.24
27,635	to 34,999	33.36	16.68	14.24
35,000	to 55,279	38.37	19.18	20.50
55,280	to 69,999	42.37	21.18	25.50
70,000	to 113,803	45.71	22.85	29.68
113,804	and over	48.22	24.11	32.81

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 11,122	16.00	8.00	3.33
11,123	to 12,499	25.68	12.84	10.80
12,500	to 19,019	30.68	15.34	17.05
19,020	to 32,182	25.68	12.84	10.80
32,183	to 34,999	30.82	15.41	17.23
35,000	to 64,367	36.82	18.41	24.73
64,368	to 69,999	38.52	19.26	26.85
70,000	to 104,647	42.52	21.26	31.85
104,648	to 113,803	43.84	21.92	33.50
113,804	and over	46.84	23.42	37.25

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 10,642	16.00	8.00	3.33
10,643	to 14,999	24.79	12.39	4.69
15,000	to 20,999	29.79	14.90	10.94
21,000	to 29,589	24.79	12.39	4.69
29,590	to 34,999	29.58	14.79	10.68
35,000	to 59,179	35.58	17.79	18.18
59,180	to 69,999	37.17	18.59	20.16
70,000	to 85,654	41.17	20.59	25.16
85,655	to 113,803	42.69	21.34	26.09
113,804	and over	45.69	22.84	29.84

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 9,962	16.00	8.00	3.33
9,963	to 14,999	25.80	12.90	5.95
15,000	to 19,999	30.80	15.40	12.20
20,000	to 30,753	25.80	12.90	5.95
30,754	to 34,999	29.80	14.90	10.95
35,000	to 51,858	35.80	17.90	18.45
51,859	to 61,508	37.18	18.59	19.21
61,509	to 69,999	40.37	20.19	23.21
70,000	to 113,803	44.37	22.19	28.21
113,804	and over	47.37	23.69	31.96

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$7,409	-	-	-
7,410	to 8,011	10.57	5.29	6.96
8,012	to 29,589	26.57	13.28	10.29
29,590	to 34,999	32.16	16.08	17.28
35,000	to 58,597	38.16	19.08	24.78
58,598	to 59,179	39.61	19.81	26.04
59,180	to 69,999	41.64	20.82	28.58
70,000	to 113,803	45.64	22.82	33.58
113,804	and over	48.64	24.32	37.33

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 11,414	16.00	8.00	3.33
11,415	to 33,244	23.20	11.60	4.83
33,245	to 34,999	25.90	12.95	8.21
35,000	to 66,491	31.90	15.95	15.71
66,492	to 69,999	33.70	16.85	17.96
70,000	to 108,100	37.70	18.85	22.96
108,101	to 113,803	39.05	19.53	24.64
113,804	and over	42.05	21.03	28.39

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 10,494	16.00	8.00	3.33
10,495	to 34,999	20.00	10.00	0.83
35,000	to 69,999	29.00	14.50	12.08
70,000	to 113,803	35.00	17.50	19.58
113,804	and over	40.50	20.25	26.46

Taxable Income		Marginal Tax Rates (%)		
		Interest and Regular Income	Capital Gains	Canadian Dividends
\$ -	to \$8,011	-	-	-
8,012	to 34,999	23.04	11.52	4.80
35,000	to 69,999	31.68	15.84	15.60
70,000	to 76,224	37.44	18.72	22.80
76,225	to 113,803	38.01	19.01	23.15
113,804	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 29, 2004 and do not reflect changes resulting from federal or provincial announcements after that date.

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Federal Tax Brackets – 2004

Taxable Income	Federal Tax at Bottom End of Bracket	Plus this Marginal Rate on the Excess
\$0 to \$34,999	Nil	16%
\$35,000 to \$69,999	\$5,600	22%
\$70,000 to \$113,803	\$13,300	26%
\$113,804 and over	\$24,689	29%

Federal Personal Tax Credits – 2004

	Gross	Credit (16%)
Basic personal	\$8,012	\$1,282
Married/equivalent ¹	6,803	1,088
Dependants over 18 and infirm ²	3,784	605
Age ³	3,912	626
Disability	6,486	1,038
Caregiver ⁴	3,784	605

¹ Reduced by spouse's net income in excess of \$681.

² Reduced by dependant's net income in excess of \$5,368

³ Reduced by an amount equal to 15% of net income exceeding \$29,124

⁴ Reduced by dependant's net income in excess of \$12,921

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) \$1,813
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 – 2004

CPP maximum pensionable earnings	\$40,500
Basic exemption	3,500
Maximum contributory earnings	37,000
Maximum contributions:	
Employees (4.95%)	1,831.50
Self-employed (9.9%)	3,663.00

Employment Insurance Premiums – 2004

Maximum insurable earnings	\$39,000	
Employee maximum premium:	1.98% X \$39,000	\$772.20
Employer maximum premium ¹ :	2.772% X \$39,000	\$1,081.80

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	\$30,075	New Brunswick	\$12,400
Alberta	\$31,220	Nova Scotia	\$27,930
Saskatchewan	\$24,250	Prince Edward Island	\$25,660
Manitoba	\$12,255	Newfoundland	\$11,250
Ontario	\$31,220	NWT	\$31,220
Quebec	\$25,700	Nunavut	\$31,220
		Yukon	\$31,220

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	\$35,000	New Brunswick	\$32,183
Alberta	\$70,000	Nova Scotia	\$35,000
Saskatchewan	\$70,000	Prince Edward Island	\$35,000
Manitoba	\$35,000	Newfoundland	\$29,590
Ontario	\$35,000	NWT	\$66,492
Quebec	\$35,000	Nunavut	\$70,000
		Yukon	\$70,000

Old Age Security Benefits

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

2003	January to March	\$453.36
	April to June	\$456.08
	July to September	\$461.55
	October to December	\$461.55
2004	January to March	\$462.47

For 2004, benefits are repayable if net income exceeds \$59,790. The repayment is 15% of excess income to a maximum of the OAS received. OAS is eliminated once income reaches \$96,788. A tax-free Guaranteed Income Supplement (GIS) of up to \$549.63 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	2004 (monthly)
Death benefit (lump sum)	\$2,500.00	-
Retirement benefit	\$9,770.04	\$814.17
Disability benefit	\$11,913.60	\$992.80
Survivor's benefit – under 65	\$5,453.04	\$454.42
– over 65	\$5,862.00	\$488.50
Children of disabled person	\$2,312.16	\$192.68
Children of deceased person	\$2,312.16	\$192.68

RRSP Contribution Limits

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

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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