



2020-2021 TAX FACTS FOR ALBERTA RESIDENTS

TAX RATES ON CORPORATE INCOME FOR 2020 AND 2021

| CCPC Active Income | Dec 2021 | Dec 2020 |
|---|-----------------|-----------------|
| \$ 0—\$ 500,000 | 11.00% | 11.00% |
| > \$ 500,000 | 23.00% | 24.00% |
| CCPC Investment Income | Dec 2021 | Dec 2020 |
| Interest | 46.67% | 47.67% |
| Interest (net of refundable taxes) | 16.00% | 17.00% |
| Capital Gains | 23.33% | 23.83% |
| Capital Gains (net of refundable taxes) | 8.00% | 8.50% |

RRSP LIMITS

| Year | RRSP Deduction Limit | Prior Year Earned Income Required to Maximize RRSP |
|-------------|-----------------------------|---|
| 2023 | \$ 30,780 | \$ 171,000 |
| 2022 | \$ 29,210 | \$ 162,278 |
| 2021 | \$ 27,830 | \$ 154,611 |

CPP & EI LIMITS

| Year | CPP Limit | Maximum Pensionable Earnings | EI—Employee Limit | EI—Employer Limit | EI—Maximum Insurable Earnings |
|-------------|------------------|-------------------------------------|--------------------------|--------------------------|--------------------------------------|
| 2022 | \$ 3,499.80 | \$ 64,900 | \$ 952.74 | \$ 1,333.84 | \$ 60,300 |
| 2021 | \$ 3,166.45 | \$ 61,600 | \$ 889.54 | \$ 1,245.36 | \$ 56,300 |

Note: Employer and employees pay the same CPP amount.

PRESCRIBED INTEREST RATES

(Note: These rates are for overdue balances, refunds subtract 2%, corporate refunds and shareholder loans subtract 4%)

| Quarter | 2021 | 2020 | 2019 |
|----------------|-------------|-------------|-------------|
| 1st quarter | 5% | 6% | 6% |
| 2nd quarter | 5% | 6% | 6% |
| 3rd quarter | 5% | 5% | 6% |
| 4th quarter | 5% | 5% | 6% |

AUTOMOBILE AMOUNTS

| Claim Description | 2021 | 2020 |
|---|----------------------------|----------------------------|
| Tax-exempt vehicle allowances —first 5,000 km —after 5,000 km | 59 cents/km 53 cents/km | 59 cents/km 53 cents/km |
| <small>(Note: the rates are 4 cents/km higher in Yukon, Nunavut, and the Northwest Territories)</small> | | |
| CCA threshold—Class 10.1 | \$30,000 | \$30,000 |
| Interest expense limit | \$300/month | \$300/month |
| Leasing limit per month (subject to further limitations) | \$800/mo+taxes | \$800/mo+taxes |
| Operating expense benefit re: standby charge—general rate | 27 cents/km | 28 cents/km |

PERSONAL TAX BRACKETS FOR SALARY AND DIVIDENDS IN 2021

| Taxable Income | Marginal Tax Rate On Salary | Marginal Tax Rate on Ineligible Dividends | Marginal Tax Rate on Eligible Dividends |
|-----------------------|------------------------------------|--|--|
| \$ 0—\$ 49,020 | 25.00% | 15.86% | 2.57% |
| \$ 49,020 —\$ 98,040 | 30.50% | 22.17% | 10.16% |
| \$ 98,040—\$131,220 | 36.00% | 28.50% | 17.75% |
| \$131,220—\$151,978 | 38.00% | 30.80% | 20.51% |
| \$151,978—\$157,464 | 41.00% | 34.25% | 24.65% |
| \$157,464—\$209,952 | 42.00% | 35.40% | 26.03% |
| \$209,952—\$216,511 | 43.00% | 36.55% | 27.41% |
| \$216,511—\$314,928 | 47.00% | 41.15% | 32.93% |
| > \$314,928 | 48.00% | 42.30% | 34.31% |

PENSION SPLITTING WITH SPOUSES

| | 65 or Older | Under 65 |
|------------------------------|--------------------|-----------------|
| Pension Annuity Payments | Yes | Yes |
| RRIF Payments | Yes | No * |
| RRSP Annuity Payments | Yes | No * |
| RRSP Lump-Sum Withdrawals | No | No |
| Canada Pension Plan Benefits | No | No |
| Old Age Security Benefits | No | No |

* Except if received due to the death of a spouse

CLAWBACK OF OLD AGE SECURITY

| Year | Start of Clawback @ 15% of the amount by |
|-------------|---|
| 2021 | \$79,845 |
| 2020 | \$79,054 |

COMMON PERSONAL TAX CREDITS

| | Federal | | Alberta | |
|---|----------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Basic personal amount | \$13,808* | \$13,229* | \$19,369 | \$19,369 |
| Spousal amount or eligible dependant amount (maximum) | \$13,808* | \$13,229* | \$19,369 | \$19,369 |
| Age amount (maximum) | \$ 7,713 | \$ 7,637 | \$ 5,397 | \$ 5,397 |
| Pension income amount (maximum) | \$ 2,000 | \$ 2,000 | \$ 1,491 | \$ 1,491 |
| Disability amount | \$ 8,662 | \$ 8,576 | \$14,940 | \$14,940 |
| Canada employment amount (maximum) | \$ 1,257 | \$ 1,245 | \$ 0 | \$ 0 |

Note: Above federal tax credits are applied at 15% and Alberta tax credits are applied at 10%

*\$13,808 (13,229) is the increased amount, it is reduced to \$12,421(12,298) for individuals with net income above \$216,511 (214,368), with gradual reduction beginning at net income above \$151,978 (150,473).

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