

Marginal Tax Rates for 2008

Updated January 1, 2008

Alberta 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	16,161	15.00	7.50	2.08	(5.75)
16,162	to	37,885	25.00	12.50	8.95	(4.30)
37,886	to	75,769	32.00	16.00	17.70	5.85
75,770	to	123,184	36.00	18.00	22.70	11.65
123,185	and over	39.00	19.50	26.45	16.00	

Saskatchewan 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$8,945	-	-	-	-
8,946	to	9,600	11.00	5.50	6.25	-
9,601	to	37,885	26.00	13.00	8.33	(5.75)
37,886	to	39,135	33.00	16.50	17.08	4.40
39,136	to	75,769	35.00	17.50	19.58	7.30
75,770	to	111,814	39.00	19.50	24.58	13.10
111,815	to	123,184	41.00	20.50	27.08	16.00
123,185	and over	44.00	22.00	30.83	20.35	

British Columbia 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	16,306	15.00	7.50	2.08	(5.75)
16,307	to	16,945	20.35	10.18	2.39	(15.39)
16,946	to	28,841	23.55	11.78	6.39	(10.75)
28,842	to	35,016	20.35	10.17	2.39	(15.39)
35,017	to	37,885	23.15	11.58	5.89	(11.33)
37,886	to	70,033	30.15	15.07	14.64	(1.18)
70,034	to	75,769	32.50	16.25	17.58	2.22
75,770	to	80,406	36.50	18.25	22.58	8.03
80,407	to	97,636	38.29	19.15	24.81	10.62
97,637	to	123,184	40.70	20.35	27.83	14.11
123,185	and over	43.70	21.85	31.58	18.47	

Manitoba 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$8,034	-	-	-	-
8,035	to	9,600	10.90	5.45	9.69	(1.14)
9,601	to	30,544	25.90	12.95	11.77	(5.89)
30,545	to	37,885	27.75	13.87	14.08	(3.21)
37,886	to	66,000	34.75	17.37	22.83	6.94
66,001	to	75,769	39.40	19.70	28.64	13.68
75,770	to	123,184	43.40	21.70	33.64	19.48
123,185	and over	46.40	23.20	37.39	23.83	

Ontario 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	12,002	15.00	7.50	2.08	(5.75)
12,003	to	15,324	27.10	13.55	4.38	(8.51)
15,325	to	36,020	21.05	10.53	3.23	(7.13)
36,021	to	37,885	24.15	12.07	7.11	(2.63)
37,886	to	63,423	31.15	15.58	15.86	7.52
63,424	to	72,041	32.98	16.49	16.87	8.14
72,042	to	74,716	35.39	17.70	19.88	11.64
74,717	to	75,769	39.41	19.70	22.59	13.81
75,770	to	123,184	43.41	21.70	27.59	19.60
123,185	and over	46.41	23.20	31.34	23.96	

Québec 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	12,768	16.52	8.26	1.74	(4.80)
12,769	to	37,500	28.52	14.26	11.74	1.14
37,501	to	37,885	32.52	16.27	16.74	6.94
37,886	to	75,000	38.37	19.19	24.04	15.41
75,001	to	75,769	42.37	21.19	29.04	21.21
75,770	to	123,184	45.71	22.85	33.22	26.06
123,185	and over	48.21	24.10	36.35	29.69	

New Brunswick 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	13,666	15.50	7.50	2.08	(5.75)
13,667	to	14,011	25.12	12.56	8.10	(8.48)
14,012	to	24,680	30.12	15.06	14.35	(1.23)
24,681	to	34,836	25.12	12.56	8.10	(8.48)
34,837	to	37,885	30.48	15.24	14.80	(7.0)
37,886	to	69,673	37.48	18.74	23.55	9.45
69,674	to	75,769	38.80	19.40	25.20	11.36
75,770	to	113,273	42.80	21.40	30.42	17.16
113,274	to	123,184	43.95	21.98	31.64	18.83
123,185	and over	46.95	23.47	35.39	23.18	

Nova Scotia 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	11,143	15.00	7.50	2.08	(5.75)
11,144	to	15,000	23.79	11.90	3.44	(5.83)
15,001	to	20,999	28.79	14.40	9.69	1.42
21,000	to	29,590	23.79	11.90	3.44	(5.83)
29,591	to	37,885	29.95	14.97	11.14	3.10
37,886	to	59,180	36.95	18.47	19.89	13.25
59,181	to	75,769	38.67	19.33	22.04	15.74
75,770	to	81,104	42.67	21.34	27.04	21.54
81,105	to	93,000	44.34	22.17	28.17	22.67
93,001	to	123,184	45.25	22.62	29.31	24.01
123,185	and over	48.25	24.12	33.05	28.36	

PEI 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	10,259	15.00	7.50	2.08	(5.75)
10,260	to	14,999	24.80	12.40	6.20	(6.77)
15,000	to	19,999	29.80	14.90	12.45	4.8
20,000	to	31,984	24.80	12.40	6.20	(6.77)
31,985	to	37,885	28.80	14.40	11.20	(9.7)
37,886	to	63,969	35.80	17.90	19.95	9.18
63,970	to	75,769	38.70	19.35	23.57	13.38
75,770	to	98,143	42.70	21.35	28.57	19.18
98,144	to	123,184	44.37	22.19	29.84	20.08
123,185	and over	47.37	23.69	33.59	24.43	

Newfoundland & Labrador 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	12,347	15.00	7.50	2.08	(5.75)
12,348	to	12,999	23.70	11.85	6.71	(2.77)
13,000	to	15,599	39.70	19.85	26.71	20.43
15,600	to	30,215	23.70	11.85	6.71	(2.77)
30,216	to	37,885	28.80	14.40	13.08	4.62
37,886	to	60,429	35.80	17.90	21.83	14.77
60,430	to	75,769	38.50	19.25	25.21	18.68
75,770	to	123,184	42.50	21.25	30.21	24.49
123,185	and over	45.50	22.75	33.96	28.84	

Northwest Territories 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	12,355	15.00	7.50	2.08	(5.75)
12,356	to	35,986	20.90	10.45	1.96	(13.87)
35,987	to	37,885	23.60	11.80	5.33	(9.96)
37,886	to	71,973	30.60	15.30	14.08	0.19
71,974	to	75,769	34.20	17.10	18.58	5.41
75,770	to	117,011	38.20	19.10	23.58	11.21
117,012	to	123,184	40.05	20.02	25.89	13.89
123,185	and over	43.05	21.52	29.64	18.24	

Nunavut 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	11,360	15.00	7.50	2.08	(5.75)
11,361	to	37,885	19.00	9.50	2.08	(8.94)
37,886	to	75,769	29.00	14.50	14.58	5.56
75,770	to	123,184	35.00	17.50	22.08	14.26
123,185	and over	40.50	20.25	28.96	22.23	

Yukon 2008

Taxable Income		Marginal Tax Rates (%)				
\$ -	to	Interest and Regular Income	Capital Gains	Ineligible Canadian Dividends	*Eligible Canadian Dividends	
\$ -	to	\$9,600	-	-	-	-
9,601	to	14,926	16.41	8.20	2.73	(6.90)
14,927	to	14,999	22.04	11.02	5.32	(11.49)
15,000	to	24,999	25.04	12.52	9.07	(7.14)
25,000	to	37,885	22.04	11.02	5.32	(11.49)
37,886	to	75,769	31.68	15.84	17.37	2.49
75,770	to	78,754	37.44	18.72	24.57	10.84
78,755	to	123,184	38.01	19.01	25.01	10.87
123,185	and over	42.40	21.20	30.49	17.23	

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 January 1, 2008 and do not reflect changes resulting from federal or provincial announcements after that date.

Federal Tax Brackets – 2008

Taxable Income	Federal Tax at Bottom End of Bracket	Plus this Marginal Rate on the Excess
\$0 to \$37,885	Nil	15%
\$37,886 to \$75,769	\$5,683	22%
\$75,770 to \$123,184	\$14,035	26%
\$123,185 and over	\$26,363	29%

Federal Personal Tax Credits – 2008

	Gross	Credit (15%)
Basic personal	\$9,600	\$1,440
Married/eligible dependant ¹	9,600	1,440
Dependants over 18 and infirm ²	4,095	614
Age ³	5,276	791
Disability	7,021	1,053
Caregiver ⁴	4,095	614

¹ Reduced by dependant's net income

² Reduced by dependant's net income in excess of \$9,721

³ Reduced by an amount equal to 15% of net income exceeding \$31,524

⁴ Reduced by dependant's net income in excess of \$13,986

Additional Non-Refundable Federal Tax Credits

Pension income	15.0% of up to \$2,000 for a maximum credit of \$300
Medical expense	15.0% of amount in excess of: lesser of a) 3% of net income and b) \$1,962
Tuition fees	15.0% of amount paid in respect of attendance at a post-secondary institution
Education amount	15.0% of \$465/month of full-time (\$140/month of part-time) attendance at a post-secondary institution
Textbook tax credit amount	15.0% of \$65/month of full-time (\$20/month of part-time)
Charitable donations	15.0% for first \$200, 29% of the balance; donations limited to 75% of net income ¹
Canada pension	15.0% of contributions
Employment insurance	15.0% of premiums paid
Public Transit Pass Tax Credit	15.0% tax credit for the cost of public transit travel
Children's Fitness Tax Credit	15.0% of eligible amounts, up to \$500 paid by parents to register a child in an eligible program of physical activity
Child Tax Credit	15.0% of \$2,038 per child under 18 at end of the year

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

Canada Pension Plan Contributions – 2008

CPP maximum pensionable earnings	\$44,900
Basic exemption	3,500
Maximum contributory earnings	41,400
Maximum contributions:	
Employees (4.95%)	2,049.30
Self-employed (9.9%)	4,098.60

Employment Insurance Premiums – 2008

Maximum insurable earnings	\$41,100	
Employee maximum premium ¹ :	1.73% X \$41,100	\$711.03
Employer maximum premium:	2.42% X \$41,100	\$994.62

¹Maximum annual premium of \$571.00 for Quebec (1.39%)

Note: Employer EI contribution equals 1.4 x the employee rate

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	\$69,830	New Brunswick	\$52,250
Alberta	\$69,830	Nova Scotia	\$28,290
Saskatchewan	\$60,350	Prince Edward Island	\$42,420
Manitoba	\$48,600	Newfoundland	\$21,210
Ontario	\$54,550	NWT	\$69,830
Quebec	\$30,160	Nunavut	\$69,840
		Yukon	\$69,830

For federal tax purposes the gross-up rate for eligible dividends is 45%. The enhanced federal dividend tax credit is approximately 19% of the grossed-up dividend.

Capital Gains vs. Ineligible 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 (Ineligible) will be taxed at lower rates than capital gains.

British Columbia	\$70,034	New Brunswick	\$37,886
Alberta	\$37,886	Nova Scotia	\$37,886
Saskatchewan	\$37,886	Prince Edward Island	\$37,886
Manitoba	\$30,545	Newfoundland	\$37,886
Ontario	\$37,886	NWT	\$71,974
Quebec	\$37,501	Nunavut	\$37,886
		Yukon	\$37,886

Old Age Security Benefits

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

2008	January to March	\$502.31	April to June	\$502.31
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For 2008, benefits are repayable if net income exceeds \$64,718. The repayment is 15% of excess income to a maximum of the OAS received. OAS is eliminated once income reaches \$104,903. A tax-free Guaranteed Income Supplement (GIS) of up to approximately \$634 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	2008 (monthly)
Death benefit (lump sum)	\$2,500.00	-
Retirement benefit	\$10,614.96	\$884.58
Disability benefit	\$12,930.24	\$1,077.52
Survivor's benefit – under 65	\$5,919.36	\$493.28
– over 65	\$6,369.00	\$530.75
Children of disabled person	\$2,505.24	\$208.77
Children of deceased person	\$2,505.24	\$208.77

RRSP Contribution Limits

Year	18% of earned income from the prior year to a maximum of:
2008	20,000
2009	21,000
2010	22,000
2011	Indexed to inflation

Prescribed Interest Rates

The following represent the prescribed interest rates set quarterly by the Canada Revenue Agency under Regulation 4300 of the *Income Tax Act* (Canada).

2008	January to March	4.0%	April to June	4.0%
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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 and Estate Planning Group at taxsmart@aic.com for more information.

Age as of January 1	%	Age as 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