

# TAX & ESTATE INFOSERVICE 2004 QUICK REFERENCE CARD

Information up to date as at January 1, 2004

## Provincial probate rates

Province	Estate size	Fee/tax
British Columbia	First \$10,000	No fee
	\$10,001 - \$25,000	\$208
	\$25,001 - \$50,000	\$208 + 0.60%
	Over \$50,000	\$358 + 1.40%
Alberta	First \$10,000	\$25
	\$10,001 - \$250,000	Progressive to \$300
	Over \$250,000	\$400 (maximum)
Saskatchewan	All estates	0.70%
Manitoba	First \$10,000	\$50
	Over \$10,000	\$50 + 0.60%
Ontario	First \$50,000	0.50%
	Over \$50,000	\$250 + 1.50%
Quebec	Notarial Wills Holograph / Witnessed	No fee \$87
New Brunswick	First \$5,000	\$25
	\$5,001 to \$20,000	Progressive to \$100
	Over \$20,000	\$100 + 0.50%
Nova Scotia	First \$10,000	\$70
	\$10,001 to \$100,000	Progressive to \$770
	Over \$100,000	\$770 + 1.3%
Prince Edward Island	First \$10,000	\$50
	\$10,001 - \$100,000	Progressive to \$400
	Over \$100,000	\$400 + 0.40%
Newfoundland	All estates	\$80 + 0.50%
Yukon	First \$25,000	No fee
	Over \$25,000	\$140
Northwest Territories	First \$10,000	\$25
	\$10,001 - \$250,000	Progressive to \$300
	Over \$250,000	\$400 (maximum)
Nunavut	First \$500	\$8
	\$501 - \$1,000	\$15
	Over \$1,000	\$15 + 0.30%

## Common Canada Customs & Revenue Agency forms

Form	Use
RC96	To withdraw funds from an RRSP under the Lifelong Learning Plan (LLP)
T1036	To withdraw an amount under the Home Buyers' Plan (HBP)
T1170	To calculate reduced capital gains on in-kind gift of securities to a charity
T1171	To waive withholding tax on Accumulated Income Payments from RESPs
T1172	To calculate 20% penalty tax on Accumulated Income Payments from RESPs
T1213	To reduce tax deductions at source
T2151	To transfer directly from an RPP or DPSP to an RRSP or RRIF
T3012A	To waive tax deduction on a refund of unused RRSP contributions
T1-OVP	To calculate penalty tax on RRSP overcontributions
T746	To claim a deduction for unused RRSP contributions refunded
T2205	To calculate amounts from a spousal RRSP or RRIF to include in income
T2220	To transfer from an RRSP/RRIF to another RRSP/RRIF on marriage breakdown

## RESP summary

- Annual contribution limit: \$4,000/beneficiary
- Lifetime contribution limit: \$42,000/beneficiary
- CESG = 20% on first \$2,000 of annual RESP contributions (maximum \$7,200/beneficiary)
- Accumulated Income Payment (AIP) transfer to RRSP = \$50,000
- Plan terminates at end of year 25 following year of inception (earlier if AIP is made)

## Spousal RRSP attribution rules<sup>2</sup>

- For 2004 withdrawal, contributor declares income if contributions were made to a spousal RRSP in 2002, 2003 or 2004
- Withdrawals made in 2004 will be taxed to the contributor up to the total amount contributed in 2002, 2003 or 2004

<sup>2</sup>Attribution rules cease upon separation or divorce, death of the contributor, and for Home Buyers' Plan and Lifelong Learning Plan participants.

## Attribution rules

Party / source	Gift	No or low-interest loan	Loan at prescribed or commercial rate
<b>Spouse or partner</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital gains	Attributed to "gifter"	Attributed to lender	No attribution
Second-generation income	No attribution	No attribution	No attribution
<b>Child under 18</b>			
Income	Attributed to "gifter"	Attributed to lender	No attribution
Capital gains	No attribution	No attribution	No attribution
Second-generation income	No attribution	No attribution	No attribution
<b>Child over 18</b>			
Income	No attribution	No attribution <sup>1</sup>	No attribution
Capital gains	No attribution	No attribution <sup>1</sup>	No attribution

<sup>1</sup> Provided main reason for making loan was not to reduce or avoid tax of the lender.

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## RRIF minimum withdrawal amounts

(Fair market value of RRIF multiplied by prescribed factors below)

Age	General	Qualifying RRIFs <sup>4</sup>
70 <sup>3</sup>	0.0500	0.0500
71	0.0738	0.0526
72	0.0748	0.0556
73	0.0759	0.0588
74	0.0771	0.0625
75	0.0785	0.0667
76	0.0799	0.0714
77	0.0815	0.0769
78	0.0833	0.0833
79	0.0853	0.0853
80	0.0875	0.0875
81	0.0899	0.0899
82	0.0927	0.0927
83	0.0958	0.0958
84	0.0993	0.0993
85	0.1033	0.1033
86	0.1079	0.1079
87	0.1133	0.1133
88	0.1196	0.1196
89	0.1271	0.1271
90	0.1362	0.1362
91	0.1473	0.1473
92	0.1612	0.1612
93	0.1792	0.1792
94 or older	0.2000	0.2000

<sup>3</sup> For ages below 70, the formula is  $1/(90 - \text{age})$ .

<sup>4</sup> A qualifying RRIF is generally a registered retirement income fund entered into before 1993.

## 2004 top marginal personal tax rates on investment income<sup>5</sup>

	Interest/ foreign income	Canadian dividends	Capital gains
British Columbia	43.7%	31.6%	21.9%
Alberta	39.0%	24.1%	19.5%
Saskatchewan	44.0%	28.3%	22.0%
Manitoba	46.4%	35.1%	23.2%
Ontario	46.4%	31.3%	23.2%
Quebec	48.2%	32.8%	24.1%
New Brunswick	46.8%	37.3%	23.4%
Nova Scotia	45.7%	29.9%	22.8%
Prince Edward Island	47.4%	32.0%	23.7%
Newfoundland	48.6%	37.3%	24.3%
Yukon	42.4%	28.6%	21.2%
Northwest Territories	42.1%	28.4%	21.0%
Nunavut	40.5%	29.0%	20.3%

<sup>5</sup> The tax rate includes federal and provincial combined marginal tax rates, including surtaxes in effect January 1, 2004.

## Withholding tax rates for RRSP/RRIF withdrawals

Amount	All provinces excluding Quebec	Quebec
Up to \$5,000	10.0%	21.0%
\$5,000.01 – \$15,000	20.0%	30.0%
\$15,000.01 and above	30.0%	35.0%

## Lifelong Learning Plan (LLP) for 2004 participants

### Eligibility:

- You, your spouse or partner must be enrolled full-time (part-time for disabled students) before March 1, 2005, in a qualifying educational program of at least three months' duration

### Limits:

- \$10,000 per year to a maximum of \$20,000 over four years

### Repayment:

- $\frac{1}{10}$  per year beginning in the second consecutive year that the student cannot claim the education credit for at least three months, but no later than March 1, 2010

## Home Buyers' Plan (HBP) for 2004 participants

### Eligibility:

- You cannot have lived in a home owned by you, your spouse or partner during the period beginning January 1, 2000, and ending 31 days before the 2004 withdrawal

### Limits:

- \$20,000 per participant

### Repayment:

- $\frac{1}{15}$  per year beginning in 2006 (payable by March 1, 2007) and ending in 2020

## Tax & Estate InfoService

When you're confronted with a complex tax or estate planning question, an in-depth answer is only a phone call away. Year-round, the *Tax & Estate InfoService* is available at 1.800.874.6275 or by e-mail at [inquiries@aimtrimark.com](mailto:inquiries@aimtrimark.com).

## Tax & Estate Info Pages

These comprehensive information pages address many of the tax and estate planning issues facing investors.

## Tax and estate information on our websites

Tax and estate information, including all our *Tax & Estate Info Pages*, is available on our websites: [advisor.aimtrimark.com](http://advisor.aimtrimark.com) (for advisors) or [www.aimtrimark.com](http://www.aimtrimark.com) (for investors).

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