



# TAX UPDATE 2018 ...2019

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# AGENDA



- **Tax Update for 2018 .... and 2019**
- **Home Buyer Plan vs Home Buyer Amount**
- **Taxpayers with Children**
- **Deadlines**

# TAX UPDATE 2018



## Maximum RRSP Contribution

**2018: \$26,230**

**2019: \$26,500**

## TFSA Limit:

**2018: \$5,500**

**2019: \$6,000**

**Total limit is \$63,500 for someone who has never invested in their TFSA**

# TAX UPDATE 2018, CON'T



## Canada Pension Plan (CPP):

**2018: 4.95% of your earned income up to \$55,900**

**2019: 5.10% of your earned income up to \$57,400**

**Self-employed CPP is 10.2% of earned income up to \$57,400**

**Maximum CPP contribution is \$5,187.60**  
*(Split equally between employer and employee)*

# TAX UPDATE 2018, CON'T



## **Employment Insurance (EI):**

**2018: 1.66% of your earned income up to \$51,700**

**2019: 1.62% of your earned income up to \$53,100**

## **Self Employed EI is optional:**

- Requires 12 months of contributions**
- Must continue to pay indefinitely once a claim is made**

**Alternative is to invest into a “nest egg” for when needed**

## Home Buyer Plan (HBP):

Home Buyer's Plan (HBP) allows you to borrow funds from your RRSP to buy or build a qualifying home, if:

- you or your spouse have not owned a home which you occupied as your principal residence during the four years preceding the withdrawal for the Home Buyer's Plan, or
- you are buying or building a home for a related disabled person

## Home Buyer Plan (HBP):

- The maximum amount that can be borrowed is \$25,000
- You have 15 years to repay the HBP Loan, starting from one year after you borrow the funds
- Minimum repayment per year is 1/15<sup>th</sup> of the borrowed amount
  - $\$25,000 / 15 = \$1,667$
- Does not impact your RRSP contribution room
- Amounts not repaid become income

## **Home Buyer Amount, aka “First Time Buyer Credit”:**

- Can claim up to \$5,000 of the purchase cost, and get a non-refundable tax credit of \$750
- Must not have lived in another home owned by you or your partner in the year of acquisition or in any of the four preceding years



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- Can claim up to \$5,000 of the purchase cost, and get a non-refundable tax credit of \$750
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# TAXPAYERS WITH CHILDREN



## Canada Child Benefit:

- Non-taxable benefit came into affect July 1, 2016
  - \$6,639 Per child under 6 years old (2018: \$6,496)
  - \$5,602 per child aged 6 through 17 (2018: \$5,481)
- Benefit is phased out for when Adjusted Family Net Income of \$30,450 is earned
- Considered income and household cost of living

# TAXPAYERS WITH CHILDREN



## Child Care Expense Deduction Limit:

- Deductible expense of up to \$8,000 per child under the age of 7
- \$5,000 per child aged 7 through 16
- \$11,000 for children eligible for disability tax credit

# TAXPAYERS WITH CHILDREN



## Fitness and Art Credits:

- Children's fitness tax credit :
  - Claim up to \$500 of registration fees paid per child
- Children's art tax credit:
  - Claim up to \$500 of registration fees paid per child
- Both programs were phased out in 2017

# DEADLINES

- **2018 RRSP Contribution Deadline = March 1<sup>st</sup>, 2019**
- **Personal Tax filing deadline = April 30th**
- **Deadline for Self-Employed individuals = June 15th**
  - **But taxes owing are still due April 30th**

# CONTACT INFO



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