

2021 Income Tax Rates

Corporate Rates			
Type of income	Federal	Ontario	Total
CCPC to \$500,000 (active)	9.00%	3.20%	12.20%
CCPC excess of \$500,000 (active)	15.00%	11.50%	26.50%
CCPC (Investment) * net to 19.5% when dividend out *	38.67%	11.50%	50.17%
Personal Service Business income	33.00%	11.50%	44.50%
Basic (other than CCPC)	15.00%	11.50%	26.50%
M & P (other than CCPC)	15.00%	10.00%	25.00%
Investments (other than CCPC)	15.00%	11.50%	26.50%

CCPC = Canadian Controlled Private Corporation M & P = Manufacturing and Processing
Part VI tax of 38 1/3% applies to certain dividends received. Fully refunded when dividend out to individuals.

Personal Rates						
Taxable income	Federal	Ontario	Ontario Surtax	Total (Ordinary)	Eligible Dividend	Other Dividend
\$1 – \$45,142	15.00%	5.05%	0.00%	20.05%	0.00%	9.24%
45,143 – 49,020	15.00%	9.15%	0.00%	24.15%	0.00%	13.95%
49,021 – 79,505	20.50%	9.15%	0.00%	29.65%	6.39%	20.28%
79,506 – 90,287	20.50%	9.15%	1.83%	31.48%	8.92%	22.38%
90,288 – 93,655	20.50%	11.16%	2.23%	33.89%	12.24%	25.16%
93,656 – 98,040	20.50%	11.16%	6.25%	37.91%	17.79%	29.78%
98,041 – 150,000	26.00%	11.16%	6.25%	43.41%	25.38%	36.10%
150,001 – 151,978	26.00%	12.16%	6.81%	44.97%	27.53%	37.90%
151,979 – 216,511	29.32%	12.16%	6.81%	48.29%	31.67%	41.35%
216,512 – 220,000	33.00%	12.16%	6.81%	51.97%	37.19%	45.95%
220,001 +	33.00%	13.16%	7.37%	53.53%	39.34%	47.74%

Only one half of a capital gain is included in taxable income and taxed at the regular rates. The other half is tax free.

Personal Amount	Federal	Ontario
Basic personal amount (BPA)	\$ 13,808*	\$10,880
Spouse or common-law partner amount	13,808*	10,162
Amount for an eligible dependent	13,808*	10,162
Age Amount	7,713	5,312
Caregiver amount – (maximum)	7,348	5,182
Disability amount – (maximum)	8,662	8,790
Pension income amount	2,000	1,504
Canada employment credit (max)	1,257	N/A

*Amount would be reduced up to \$1,387 for NI from \$151,978 to \$216,511

RRSP Contribution Limit (Dollar Limit)

2021	27,830
2022	29,210

(If you have an employer pension plan, the limit is reduced by the pension adjustment)

Canada Pension Plan Contributions

Contribution rate	5.45%
Maximum pensionable earnings	\$ 61,600
Annual basic exemption	3,500
Maximum contributory earnings	58,100
Maximum employee/employer contribution	3,166
Maximum Self-employed contribution	6,333

Employment Insurance Premiums

Premium rate	1.58%
Maximum annual insurable earnings	\$ 56,300
Maximum employee premium	889.54
Maximum employer premium	1,245.36

Tax rates are effective January 1, 2021, subject to government changes. They are approximate and are not meant for exact tax determination. Does not include the effects of any applicable tax credits, deductions or the Ontario Health Premium.

The content of this pamphlet is prepared by **IMPACT CPAs** for information only and are not intended to provide professional advice as individual situations will differ. We would be please to discuss your specific situation and tailor a tax plan to meet your requirements.

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