



# CLEARLY FINANCIALS\*

CHARTERED PROFESSIONAL ACCOUNTANTS

Running a business can be hard.  
A good accountant can interpret the numbers  
for you and guide your business to success.

## 2022 Tax Guide

\*Denotes Professional Corporation



**Kelvin Leung, CPA, CMA**  
*Principal*

Phone: 780-988-9812

Fax: 1-866-888-9812

McKenzie Residence  
203, 8603 104 Street NW  
Edmonton, AB T6E 4G6

# 2022 Combined Federal & Alberta

2022 Taxable Income	2022 Marginal Tax Rates			
	General Income	Capital Gains	Canadian Dividends	
			Eligible	Non-Eligible
First \$50,197	25.00%	12.50%	2.57%	15.86%
\$50,198 to \$100,392	30.50%	15.25%	10.16%	22.18%
\$100,393 to \$134,238	36.00%	18.00%	17.75%	28.51%
\$134,239 to \$155,625	38.00%	19.00%	20.51%	30.81%
\$155,626 to \$161,086	41.38%	20.69%	25.17%	34.70%
\$161,087 to \$214,781	42.38%	21.19%	26.55%	35.85%
\$214,782 to \$221,708	43.38%	21.69%	27.93%	37.00%
\$221,709 to \$322,171	47.00%	23.50%	32.93%	41.16%
over \$322,172	48.00%	24.00%	34.31%	42.31%

Marginal tax rate for dividends is a % of actual dividends received (not grossed-up taxable amount).

Marginal tax rate for capital gains is a % of total capital gains (not taxable capital gains).

Gross-up rate for eligible dividends is 38%, and for non-eligible dividends is 15%.

Federal Basic Personal Amount	Alberta Basic Personal Amount
15%	10%
Credit on the first \$14,398 of income	Credit on the first \$19,814 of income

## Canada Pension Plan (CPP) and Employment Insurance (EI)

	Employee	Employer	Combined	
CPP	Rate:	5.70%	5.70%	11.40%
	Max:	\$3,499.8	\$3,499.8	\$6,999.6
	Maximum pensionable earnings	\$64,900		
EI	Rate:	1.58%	2.212%	3.792%
	Max:	\$952.74	\$1,333.84	\$2,286.58
	Maximum insurable earnings	\$60,300		

## RRSP and TFSA Contribution Limits

RRSP	18% of earned income, up to a maximum of \$29,210	
TFSA	Annual limit \$6,000	Cumulative total \$81,500

## Registered Retirement Income Fund (RRIF)

### Minimum Annual RRIF Withdrawal

Age	RRIF Factor	Age	RRIF Factor	Age	RRIF Factor	Age	RRIF Factor
64	3.85%	72	5.40%	80	6.82%	88	10.21%
65	4.00%	73	5.53%	81	7.08%	89	10.99%
66	4.17%	74	5.67%	82	7.38%	90	11.92%
67	4.35%	75	5.82%	83	7.71%	91	13.06%
68	4.55%	76	5.98%	84	8.08%	92	14.49%
69	4.76%	77	6.17%	85	8.51%	93	16.34%
70	5.00%	78	6.36%	86	8.99%	94	18.79%
71	5.28%	79	6.58%	87	9.55%	95+	20.00%

Consider converting some of your RRSP to a RIF at age 65 to generate pension income.

## Canada Pension Plan (CPP)

Type of pension or benefit	Max Payment/Month
Retirement pension (at age 65)	\$1,253.59
Post-retirement Benefit (CCP) (at age 65)	\$36.26
Disability Benefit	\$1,464.83
Survivor: younger than 65	\$674.79
Survivor: 65 and older	\$752.15
Children of disabled contributor	\$264.53
Children of deceased contributor	\$264.53
Death (maximum one-time payment)	\$2,500.00
<b>Combined benefits</b>	
Survivor and retirement (retirement at 65)	\$1,257.13
Survivor and disability	\$1,467.04

Pensions start at age 65. Pensions are reduced by 0.6% for each month you receive it before age 65 (starting from age 60). Pensions are increased by 0.7% for each month you delay receiving it (up to age 70).

## Registered Retirement Income Fund (RRIF) October to December 2022

Benefits start at age 65 and increase by 0.6% for each month that you defer payments (up to age 70).	Max Payment/Month	Maximum Income
	65 to 74 \$687.56	\$129,757
Pensioners aged 75+ automatically receive a 10% increase as of July 2022.	75+ \$756.32	\$129,757

## OAS, Guaranteed Income Supplement (GIS)

	Max Payment/Month	Maximum Level Cut-Off <sup>1</sup>
Single	1,023.88	\$20,784
Spouse/common-law partner does not receive an OAS pension	1,023.88	\$49,824
Spouse/common-law partner receives an OAS pension	616.31	\$27,456
Spouse/common-law partner receives an OAS pension	616.31	\$38,448
Allowance	1,301.81	\$38,448
Allowance for the Survivor	1,551.85	\$27,984

<sup>1</sup>The income level cut-offs do not include the OAS pension, the first \$5,000 of employment or self employment income and 50% of employment or self employment income between \$5,000 and \$15,000.

## OAS Clawback

If your income is over the Threshold amount, OAS is clawed back by 15% x the excess over the Threshold. The full OAS benefit is clawed back if your net income is over \$129,075.

2022 Threshold	Upper Threshold (full OAS benefit clawed back)	
\$81,761	Age 65 to 74 134,626	Age 75+ \$137,331

Disclaimer: The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate. Do not act on such information without appropriate professional advice.

# 2022 Corporate Income Tax Rates

	Federal	Alberta	Total
Small Business Tax Rate	9%	2%	11%
General Corporate Tax Rate	15%	8%	23%
Investment Income	38.70%***	8%	46.70%***
Capital Gains	19.35%	4%	23.35%
Small Business Limit	\$ 500,000		

The small business tax rate is available on active business income up to the small business limit. The small business limit decreases if the corporation's taxable capital exceeds \$10 million or if aggregate investment income exceeds \$50,000.

\*\*\* The federal tax rate on investment income includes a 10.67% refundable tax.

2022 Lifetime Capital Gains Exemption \$913,630.

## The Clearly Financials Difference

Running a business can be complicated. A good accountant will interpret the numbers for you and guide you to grow a profitable business.

At Clearly Financials, we pride ourselves on helping our clients establish effective systems which make their companies operate intelligently and efficiently. We help progressive business owners save time, solve problems and keep more of their money in their own pockets.

## Our Services



### BUSINESS FOUNDATION SERVICES

Get your business started off right

- ✓ Business Structure Selection (Sole-Proprietorship, Partnership, Corporation)
- ✓ Business Setup
- ✓ Business Plans



### SMART ACCOUNTING

We use modern tech to make your paperwork easy

- ✓ Corporate Tax
- ✓ Bookkeeping
- ✓ Online Payroll
- ✓ GST Filing



### BUSINESS PERFORMANCE MANAGEMENT

Grow your business

- ✓ Forecasting
- ✓ Goal Setting
- ✓ Budgeting
- ✓ Scenario Planning



### ADVISORY SERVICES

Plan for your family's future

- ✓ Succession Planning
- ✓ Estate Planning
- ✓ Buying or Selling a Business



### PERSONAL TAX SERVICES

Get all the tax credits you are entitled to

- ✓ Self-Employed Individuals
- ✓ Rental Activities
- ✓ E-Commerce
- ✓ Investment Activity

Kelvin is the President of Clearly Financials, with over 17 years of industry experience. He has successfully empowered businesses and individuals to achieve their financial ambitions. Kelvin works closely with his clients to improve their efficiencies and profitability. Kelvin will guide you to understand your numbers in a meaningful way and help you get the most out of your business.

