

2020-2021 Tax facts for B.C. residents



Tax rates on corporate income

	2021	2020	2019	2018
CCPC active income				
\$ 0 — \$500,000	11.00%	11.00%	11.00%	12.00%
>\$500,000	27.00%	27.00%	27.00%	27.00%
CCPC investment income				
CCPC investment income	50.67%	50.67%	50.67%	50.67%
CCPC dividend income				
CCPC dividend income	38.33%	38.33%	38.33%	38.33%

Personal tax brackets for salary and dividends in 2021

Taxable income	Marginal tax rate on salary	Marginal tax rate on private company dividends	Marginal tax rate on public company dividends (see note)	Capital gains
\$0 - \$11,069	0.00%	0.00%	0.00%	0.00%
\$11,070 - \$13,808	5.06%	3.57%	-9.58% to 0%	2.53%
\$13,809 - \$42,184	20.06%	10.43%	-9.60% to 0%	10.03%
\$42,185 - 49,020	22.70%	13.47%	-5.96% to 0%	11.35%
\$49,021 - \$84,370	28.20%	19.80%	1.63%	14.10%
\$84,371 - \$96,867	31.00%	23.02%	5.49%	15.50%
\$96,868 - \$98,040	32.79%	25.07%	7.96%	16.40%
\$98,041 - \$117,624	38.29%	31.40%	15.55%	19.15%
\$117,625 - \$151,978	40.70%	34.17%	18.88%	20.35%
\$151,979 - \$159,483	44.02%	37.99%	23.46%	22.01%
\$159,484 - 216,511	46.12%	40.41%	26.36%	23.06%
\$216,512 - \$222,420	49.80%	44.64%	31.44%	24.90%
>\$222,421	53.50%	48.89%	36.54%	26.75%

(Note: Includes dividends from CCPC's from income in excess of business limit)

RRSP limits

Year	RRSP deduction limit	Prior year earned income required to maximize RRSP
2019	\$ 26,500	\$ 147,222
2020	\$ 27,230	\$ 151,278
2021	\$ 27,830	\$ 154,611

CPP & EI limits

Year	CPP limit	Maximum pensionable earnings	EI — employee limit	EI — employer limit	EI — maximum insurable earnings
2020	\$ 2,898.00	\$ 58,700	\$ 856.36	\$ 1,198.90	\$ 54,200
2021	\$ 3,166.45	\$ 61,600	\$ 889.54	\$ 1,245.36	\$ 56,300

Note: Employer and employees pay the same CPP amount.

Prescribed interest rates (Note: These rates are for shareholder loans - refunds add 2%, overdue balances add 4%)

Quarter	2020	2019	2018
1st quarter	2%	2%	1%
2nd quarter	2%	2%	2%
3rd quarter	1%	2%	2%
4th quarter	1%	2%	2%

Pension splitting with spouses

	65 or Older	Under 65
Pension annuity payments	Yes	Yes
RRIF payments	Yes	No *
RRSP annuity payments	Yes	No *
RRSP lump-sum withdrawals	No	No
Canada Pension Plan benefits	No	No
Old Age Security benefits	No	No

* Except if received due to the death of a spouse

Automobile amounts

Claim description	2021	2020
Tax-exempt car reimbursements — first 5,000 km	59 cents/km	59 cents/km
— after 5,000 km	53 cents/km	53 cents/km
CCA threshold — Class 10.1	\$30,000	\$30,000
Interest expense limit	\$300/month	\$300/month
Leasing limit per month	\$800/mo+taxes	\$800/mo+taxes
Operating expense benefit re: standby charge	27 cents/km	28 cents/km

Worker's Compensation Board of B.C.

	2021	2020
Maximum WorkSafeBC Assessable earnings	\$100,000	\$87,100

Clawback of old age security

Year	OAS benefit	Start of clawback at 15% if income is greater than	OAS fully clawed back when income is greater than
2020	\$7,362.36	\$79,054	\$128,149
2021	\$7,384.44	\$79,845	\$129,075