

Financial Planning

# Helping you prepare for the 2018 tax season

Filing deadline: April 30, 2019



## About this guide

Helping you prepare to file your 2018 tax return is important to us. This guide is designed to provide you up-to-date information (as of October 31, 2018) about important dates and reminders, answers to frequently asked questions (FAQs), and a list of potential tax receipts you may receive. For specific tax advice, please speak with your tax advisor.

## Important dates to remember

**March 1, 2019** – Last day for 2018 RSP<sup>1</sup> contributions

**April 30, 2019** – Last day to file your 2018 Tax Return without incurring a possible penalty<sup>2</sup>

**June 17, 2019** – Last day to file your 2018 Tax Return if you are self-employed without incurring a possible penalty<sup>2</sup>. If you have a balance owing for 2018, you still have to pay it on or before April 30, 2019

Please note the above dates will apply to most circumstances.

## Minimum withdrawal factors for Retirement Income Funds (RIFs)<sup>3</sup> remain the same for 2019

The RIF factors will range from 5.28% at age 71 to 18.79% at age 94. The percentage that seniors will be required to withdraw from their RIF will remain capped at 20% at age 95 and above.

## Linked Notes reporting

Effective 2017, any gain realized on the sale of a linked note was treated as interest income and reported on your T5. The disposition amount on your T5008 was reduced accordingly. Effective 2018, the interest amount will be reported in box 30 on a T5 and box K on a RL3.

## Dividend Gross Up and Tax Credit Changes

### i) Eligible Dividends

Effective for dividends received on or after March 28, 2018, the enhanced Quebec Dividend Tax credit will change to 11.86% from 11.90% of the grossed up dividend. However, the eligible dividend gross-up will remain at their current levels of 38% of the dividend paid.

### ii) Non Eligible Dividends

#### *Federal Changes*

The non-eligible dividends gross-up will change for 2018 from 17% to 16%. The effective enhanced federal Dividend Tax Credit is changing from 10.52% to 10.0313% of the grossed up non-eligible dividend.

Tax slip distribution dates

Registered Accounts		
Form	Purpose of form	Mailed or posted to eServices no later than
RSP contribution receipts	All RSP Contributions	Week of January 7, 2019 for any contributions made between March 2, 2018 and December 31, 2018 Weekly starting January 7, 2019 for contributions made in the first 60 days of 2019
NR4 (RSP)	Non-resident withdrawals from RSP	April 1, 2019
NR4 (RIF)	Non-resident withdrawals from RIF	April 1, 2019
T4RSP	Withdrawals from RSP	February 28, 2019
T4RIF	Withdrawals from RIF	February 28, 2019
Relevé 2	Quebec residents — submitted with T4RSP/T4RIF	February 28, 2019
T4A/Relevé 1	RESP <sup>5</sup> withdrawals	February 28, 2019
T4A/Relevé 1	RDSP <sup>6</sup> withdrawals	February 28, 2019
Non-registered Accounts		
Form	Purpose of form	Mailed or posted to eServices no later than
T5/R3 (Mutual Funds)	Income Distribution from Corporate Class Mutual Funds and High Interest Saving Account	February 28, 2019 from the fund company
T3/RL-16 (Mutual Funds)	Income Distribution and Return of Capital from Mutual Fund Trusts	April 1, 2019 from the fund company
T5/R3	Dividend and interest income equal to or greater than \$50	February 28, 2019
T5008/R-18	All dispositions (sales, redemptions and maturities) for the tax reporting year.	February 28, 2019
NR4	Distributions to non-residents	April 1, 2019
1042S	US Source Income* Reporting for Simple Trust, Grantor Trust, and Partnership reporting	March 15, 2019
1099INT	U.S. person receiving interest income	January 31, 2019
1099DIV	U.S. person receiving dividend income	January 31, 2019
1099B Substitute	U.S. person receiving proceeds from sale	February 15, 2019
Other non-government reports	Investment Income Summary if receiving a T5	Included in the T5 Package
	Summary of Trust Income, excluding Mutual Funds	Included in the T3 Package
	Pending Trust Unit Summary	Included in the T3 Package

\*For Internal Revenue Service reporting, if you are being charged the maximum tax rate of 30% and live in a treaty country you may be able to reduce your tax paid by providing TD Waterhouse Canada Inc. with the required documentation. Contact your Financial Planner for more information.

## Quebec Changes

The non-eligible dividends gross-up will change for 2018 from 17% to 16%. Effective for dividends received on or after March 27, 2018, the Quebec Dividend Tax Credit will change from 7.05% to 6.28% of the grossed up dividend.

Due to the changes above, additional boxes will appear on your 2018 Relevé tax slips (R3, R16 and R15).

## Return of capital

If you hold a Mutual Fund that allocates a portion of its distribution as return of capital, your tax document will specify this return of capital amount. Return of capital amounts impact the adjusted cost base (ACB) of your investment and factor into the calculation of any gains/losses. The book value for the asset in your account may be adjusted up to April 2019.

## eServices

Registered clients can view and retrieve their tax receipts and reporting online in WebBroker. Online access to tax receipts and reporting through eServices on WebBroker replaces your mailed receipts allowing you to receive your tax information sooner, without any postal delays and enabling you to print them at your convenience. To register for WebBroker and/or eServices, call the WebBroker Help Desk at 1-800-667-6299.

## Frequently asked questions

### **Why are there so many different tax package mailings?**

As there are various regulatory deadlines associated with tax reporting, TD Waterhouse Canada Inc. and all other institutions are required to deliver these tax documents to you by various dates within the months of January to March. We're always looking for ways to improve and make this process easier for you. Please refer to the table provided for document delivery deadlines.

### **Why is only one Social Insurance Number (SIN) listed on my tax slip for my joint account?**

Joint account holders' names appear on the tax slip; however the tax slip only allows one SIN to be recorded. The recipient type indicator on the tax slip will enable the CRA to distinguish this as a joint account allowing each individual to report their share of the income on their T1 return.

## **If I withdraw an amount from my Tax-Free Savings Account (TFSA)<sup>4</sup>, can I re-contribute it in the same year?**

In any year, your total TFSA contributions cannot exceed your contribution room. If you withdraw funds from your TFSA, that amount will be added to your contribution room for the next year.

## **Can I make a spousal RSP contribution online?**

Please contact your Financial Planner and they will be able to assist you.

▶ If you have questions about the information provided in this guide or information about your account(s), please contact your Financial Planner.

<sup>1</sup> Retirement Savings Plan (RSP) – Refers to the TD Waterhouse Self-Directed Retirement Savings Plan. <sup>2</sup> If you owe tax for 2018 and do not file your return for 2018 on time, CRA may charge you a late-filing penalty. The penalty is 5% of your 2018 balance owing plus 1% of your balance owing for each full month that your return is late, to a maximum of 12 months. The penalty may be higher in cases of repeated failures to file on time. <sup>3</sup> Retirement Income Fund (RIF) – Refers to the TD Waterhouse Self-Directed Retirement Income Fund. <sup>4</sup> Tax-Free Savings Account (TFSA) – Refers to the TD Waterhouse Tax-Free Savings Account. <sup>5</sup> Registered Education Savings Plan (RESP) – Refers to the TD Securities Inc. Self-Directed Education Savings Plan. <sup>6</sup> Registered Disability Savings Plan (RDSP) – Refers to the TD Waterhouse Disability Savings Plan. The information contained herein has been provided by TD Wealth Financial Planning and is for information purposes only. The information has been drawn from sources believed to be reliable. The information does not provide financial, legal, tax or investment advice. Particular investment, tax, or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. TD Wealth Financial Planning is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. All trademarks are the property of their respective owners. © The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.