

Private Investment Advice

Helping you  
prepare for  
the 2018  
tax season

Filing deadline: April 30, 2019



## About this guide

Helping you get prepared to file your 2018 tax return is one of our goals at TD Wealth Private Investment Advice. This guide is designed to provide you with up-to-date information (as of October 31<sup>st</sup> 2018) about important dates, information about tax reporting that may apply to you, 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.

## Important information for the 2018 tax year

### Return of capital

If you hold a Mutual Fund, Trust Unit, Limited Partnership, or Split Corporation, 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 need to be factored into the calculation of any gains/losses. The book value for the asset in your account may be adjusted up to April 2019.

### 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>4</sup> withdrawals	February 28, 2019
T4A/Relevé 1	RDSP <sup>5</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
T5/R3	All Split Corporation income	February 28, 2019
T5008/R-18	All dispositions (sales, redemptions and maturities) for the tax reporting year.	February 28, 2019
T3/RL-16	Trust unit income	April 1, 2019
T5013/RL-15	Partnership income	April 1, 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
	Investment Income Summary if receiving a T5	Included in the T5 Package
Other non-government reports	Summary of Trust Income, excluding Mutual Funds	Included in the T3 Package
	Pending Trust Unit Summary	Included in the T3 Package

\*Online access to tax receipts through eServices on WebBroker replaces your mailed receipts. To take advantage of the convenience and services provided by WebBroker, please speak to your TD Wealth Private Investment Advice Advisor. \*\*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 TD Wealth Private Investment Advice Advisor 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).

## Foreign income verification reporting (Form T1135) (Not applicable if foreign property assets are held in a Registered Plan)

Canadian investors that owned specified foreign property in a Non-Registered account with a total cost amount of more than \$100,000 at any time in the year are currently required to complete and file a Foreign Income Verification Statement (Form T1135) for that year. If the total cost of a taxpayer's foreign property is more than \$100,000, but less than \$250,000 throughout the year, the taxpayer will be able to report these assets to CRA using a simplified foreign asset reporting method on the T1135 form. Clients with foreign property that has a total cost of \$250,000 or more at any time during the tax year will need to complete the full T1135 form. TD Wealth Private Investment Advice may be able to assist you in providing reporting needed for completion of this form. Please speak with your Investment Advisor.

## Minimum withdrawal factors for Retirement Income Funds (RIFs) remain unchanged for calculating 2019 minimum withdrawals

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.

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

<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> Registered Education Savings Plan (RESP) – Refers to the TD Securities Inc. Self-Directed Education Savings Plan. <sup>5</sup> Registered Disability Savings Plan (RDSP) – Refers to the TD Waterhouse Disability Savings Plan. The information contained herein has been provided by TD Wealth Private Investment Advice 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 Private Investment Advice is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. All trade-marks are the property of their respective owners. ® The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.