



AS OF APRIL 9, 2020

Tax updates for Canadian Seniors in response to COVID-19

Both federal and provincial governments have announced programs and benefits that aim to provide relief for Canadians over the coming months.

Seniors, one of the demographics who are especially threatened by COVID-19, are in desperate need of these support initiatives while dealing with social-isolation, quarantine or recovery. These efforts will also benefit those who may have had their income affected by salary cuts or job loss.

Below you'll find a list of financial supports available to Canadian seniors including links to current and further information on each where applicable.

Canadian Emergency Response Benefit (CERB)

- \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic.
- To apply:
 - Online using your CRA my account
 - By phone by calling 1-800-959-2019 or 1-800-959-2041

RRIF withdrawals reduced by 25% for 2020

Reducing required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020, in recognition of volatile market conditions and their impact on many seniors' retirement savings. This will provide flexibility to seniors that are concerned that they may be required to liquidate their RRIF assets to meet minimum withdrawal requirements.

The minimum amount for individuals receiving variable benefit payments under a defined contribution registered pension plan or pooled registered pension plan will also be reduced by 25% in 2020. Variable benefits are payments made to plan members from a defined contribution pension plan or pooled registered pension plan in a manner similar to a RRIF. Therefore, in this notice, all references to a RRIF apply to variable benefit payments as well.

The qualifications of the above mentioned reduced RRIF withdrawal are the same for everything who currently has a RRIF or are in the process of converting their RRSP into a RRIF and must be withdrawing the minimum amount annually from your RRIF.

This minimum withdrawal is based on a Government mandated formula where your RRIF is multiplied by fair market value at the beginning of each calendar year.

For example: A pre government change estimated example would be if you have \$300,000 currently held in your RRIF account and you are 73, based on the current RRIF rates in 2020, you would need to take out 5.53% of your RRIF which would equate to \$15,990. With the recent government changes for this year means that the 5.53% minimum withdrawal has now been decreased by 25% to 4.15% which would equate to \$12,450 for this year.

RRIF Comparison Chart

Age	RRIF Minimum	Age	2020 RRIF Minimum*
71	5.28%	71	3.96%
72	5.40%	72	4.05%
73	5.53%	73	4.15%
74	5.67%	74	4.25%
75	5.82%	75	4.37%
76	5.98%	76	4.49%
77	6.17%	77	4.63%
78	6.36%	78	4.77%
79	6.58%	79	4.94%
80	6.82%	80	5.12%
81	7.08%	81	5.31%
82	7.38%	82	5.54%
83	7.71%	83	5.78%
84	8.08%	84	6.06%
85	8.51%	85	6.38%
86	8.99%	86	6.74%
87	9.55%	87	7.16%
88	10.21	88	7.66%
89	10.99%	89	8.24%
90	11.92%	90	8.94%
91	13.06%	91	9.80%
92	14.49%	92	10.87%
93	16.34%	93	12.26%
94	18.79%	94	14.09%
95+	20.00%	95+	15.00%

*Note that all 2020 lowered rates are for the year 2020 only.

Extra Time to File Income Taxes

In order to provide greater flexibility to Canadians who may be experiencing hardships during the COVID-19 outbreak, the Canada Revenue Agency will defer the filing due date for the 2019 tax returns of individuals, including certain trusts.

- For individuals (other than trusts), the return filing due date will be deferred until June 1, 2020. However, the Agency encourages individuals who expect to receive benefits under the GSTC or the Canada Child Benefit not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.

The Canada Revenue Agency will allow all taxpayers to defer, until August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

Increased GST/HST Rebate

- Canadians who normally receive the GST/HST credit and have filed a 2018 tax return will automatically receive a one-time increase in the credit.
- Even if you were previously not entitled to the GST/HST credit, but have filed your 2018 tax return, you may also get the one-time credit amount based on your family net income.
- Refer to your CRA my account for more details.

Supporting the delivery of items and personal outreach

The Canadian Government have contributed \$9 million through United Way Canada for local organizations to support practical services to Canadian Seniors. These services could include the delivery of groceries, medications, or other needed items, or personal outreach to assess individuals' needs and connect them to community support.

Please keep in mind that information and updates are changing daily. For the most up to date information please visit The Canada Revenue Agency's update site here: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update.html>

Sources:

<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>

<https://www.carp.ca/2020/03/26/covid-19-financial-supports-announced/>

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