



## Income Splitting Worksheet

The Income Splitting Worksheet quantifies the net cash benefits available by using various income splitting strategies.

Your client's situation:

- Tax year end Dec 31, 2016
- Net business income (to split) 250,000
  
- Mr. A
  - Tax province ON
  - Eligible dividends 10,000
  - Interest income 10,000
  
- Mrs. A
  - Tax province ON
  - Employment income 30,000
  
- Mr. A Jr.
  - Tax province BC
  - Employment income 5,000
  - Tuition credits (Federal and BC) 10,000

Determine the net cash benefit of allocating income to contributing family members, rather than to a single individual

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

Employment	
Eligible pension	
Other than eligible dividends	
Eligible dividends	
Interest and other investment	
Net capital gains	
Net business income	250,000
Other income	

Allocation of income					
Mr. A	Mr. A	Mrs. A	Mr. A. Jr.	Taxpayer 4	Taxpayer 5
Current structure	With income splitting	With income splitting	With income splitting	With income splitting	With income splitting
-					
-					
-					
-					
-					
-					
250,000	200,000	30,000	20,000		
-					

Net cash before personal taxes	250,000
(Federal taxes)	(65,656)
(Provincial taxes)	(39,994)
(CPP on business income)	(5,089)
(EI on business income)	-
(Social benefits repayment)	-
Provincial or territorial credits	-
Adjustment	
Net cash before CPP & EI	139,262
(CPP on employment income)	-
(EI on employment income)	-
Net cash	139,262

Cash summary					
Mr. A	Mr. A	Mrs. A	Mr. A. Jr.	Taxpayer 4	Taxpayer 5
Current structure	With income splitting	With income splitting	With income splitting	With income splitting	With income splitting
250,000	200,000	30,000	20,000	-	-
(65,656)	(49,156)	(4,872)	(33)	-	-
(39,994)	(29,729)	(2,397)	-	-	-
(5,089)	(5,089)	(2,465)	(1,980)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
139,262	116,026	20,266	17,987	-	-
-	-	-	-	-	-
-	-	-	-	-	-
139,262	116,026	20,266	17,987	-	-

Average tax rate

44.30%      41.99%      32.45%      10.06%      -      -

Mr. A	110,738
Mr. A	83,974
Mrs. A	9,734
Mr. A. Jr.	2,013
Taxpayer 4	-
Taxpayer 5	-
Taxes payable	110,738

Net tax			
Current structure	With income splitting	Savings (cost)	Notes and calcs
110,738			
	83,974		
	9,734		
	2,013		
	-		
	-		
110,738	95,720	15,018	

Average tax rate

44.30%      38.29%      6.01%

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Existing personal tax calculation		Existing personal tax calculation		Existing personal tax calculation	
	Taxpayer details		Taxpayer details		Taxpayer details	
	Mr. A		Mr. A		Mrs. A	
	Current structure		With income splitting		With income splitting	
Name						
Description						
Tax province	ON		ON		ON	
Tax year ending	Dec 31, 2016		Dec 31, 2016		Dec 31, 2016	
Date of birth						
Net capital loss carryforwards	-		-		-	
	Existing taxable income		Existing taxable income		Existing taxable income	
Employment	-		-		30,000	
CPP	-		-		-	
Old Age Security	-		-		-	
Eligible pension	-		-		-	
Other than eligible dividends	-		-		-	
Gross-up	-		-		-	
Eligible dividends	10,000		10,000		-	
Gross-up	3,800		3,800		-	
Interest and other investment	10,000		10,000		-	
Net capital gains (losses)	-		-		-	
(Non-taxable portion)	-		-		-	
Other income	-		-		-	
Net business income (loss)	-		-		-	
Total income (loss)	23,800		23,800		30,000	
(RRSP deduction)	-		-		-	
(CPP on business)	-		-		-	
(Social benefits repayment)	-		-		-	
Adjustment	-		-		-	
Net income (loss)	23,800		23,800		30,000	
(Non capital losses of other years)	-		-		-	
(Net capital losses of other years)	-		-		-	
Adjustment	-		-		-	
Taxable income (loss)	23,800	No Federal income taxes payable	23,800	No Federal income taxes payable	30,000	

A Family  
 Income Splitting Worksheet  
 Prepared May 1, 2016

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

∞ - YouTube example  
 ∞ - PDF example  
 ∞ - Worksheet support  
 ∞ - Tax rates in effect  
 Updated April 2016

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Existing tax credits for Mr. A		Existing tax credits for Mr. A		Existing tax credits for Mrs. A	
	Carryforwards		Carryforwards		Carryforwards	
Charitable donations - 2015 or before - 75%	-		-		-	
Charitable donations - 2015 or before - no limit	-		-		-	
Charitable donations - 2016 or after - 75%	-		-		-	
Charitable donations - 2016 or after - no limit	-		-		-	
Tuition and related amounts - federal	-		-		-	
Tuition and related amounts - provincial	-		-		-	
	Current year		Current year		Current year	
Calculate CPP	Yes		Yes		Yes	
Calculate EI	Yes - employment		Yes - employment		Yes - employment	
Claim disability amount	-		-		-	
Charitable donations - 75%	-		-		-	
Charitable donations - no limit	-		-		-	
Tuition and related amounts - federal	-		-		-	
Other federal credits - credit rate	-		-		-	
Tuition and related amounts - provincial	-		-		-	
Other provincial credits - credit rate	-		-		-	
Other than eligible dividends - before rate change						
Eligible dividends - before rate change						

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Marginal personal tax calculation		Marginal personal tax calculation		Marginal personal tax calculation	
	Taxpayer details		Taxpayer details		Taxpayer details	
Name	Mr. A		Mr. A		Mrs. A	
Description	Current structure		With income splitting		With income splitting	
Tax province	ON		ON		ON	
Tax year ending	Dec 31, 2016		Dec 31, 2016		Dec 31, 2016	
Date of birth						
	Marginal taxable income		Marginal taxable income		Marginal taxable income	
Employment	-		-		-	
Eligible pension	-		-		-	
Other than eligible dividends	-		-		-	
Gross-up	-		-		-	
Eligible dividends	-		-		-	
Gross-up	-		-		-	
Interest and other investment	-		-		-	
Net capital gains (losses)	-		-		-	
(Non-taxable portion)	-		-		-	
Other income	-		-		-	
Net business income (loss)	250,000		200,000		30,000	
Total income (loss)	250,000		200,000		30,000	
(RRSP deduction)	-		-		-	
(CPP on business)	(2,544)		(2,544)		(1,233)	
(Social benefits repayment)	-		-		-	
Adjustment	-		-		-	
Net income (loss)	247,456		197,456		28,767	
(Non capital losses of other years)	-		-		-	
(Net capital losses of other years)	-		-		-	
Adjustment	-		-		-	
Taxable income (loss)	247,456		197,456		28,767	

A Family  
 Income Splitting Worksheet  
 Prepared May 1, 2016

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

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 Updated April 2016

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Approved		

Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Marginal tax credits for Mr. A		Marginal tax credits for Mr. A		Marginal tax credits for Mrs. A	
	Current year		Current year		Current year	
Charitable donations - 75%	-		-		-	
Charitable donations - no limit	-		-		-	
Other federal credits - credit rate	-		-		-	
Other provincial credits - credit rate	-		-		-	
Other than eligible dividends - before rate change						
Eligible dividends - before rate change						

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Updated April 2016

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Indexation rates	
2017	-
2018	-
2019	-
2020+	-

	Marginal tax details for Mr. A			Marginal tax details for Mr. A			Marginal tax details for Mrs. A		
	Federal			Federal			Federal		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	21,482	15.00%	3,222	21,482	15.00%	3,222	15,282	15.00%	2,292
Bracket 2	45,281	20.50%	9,283	45,281	20.50%	9,283	13,485	20.50%	2,765
Bracket 3	49,825	26.00%	12,955	49,825	26.00%	12,955	-	-	-
Bracket 4	59,612	29.00%	17,287	59,612	29.00%	17,287	-	-	-
Bracket 5	71,256	33.00%	23,514	21,256	33.00%	7,014	-	-	-
(Basic personal amount)	-	-	-	-	-	-	-	-	-
(Age amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	(2,544)	15.00%	(382)	(2,544)	15.00%	(382)	(1,233)	15.00%	(185)
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Pension income amount)	-	-	-	-	-	-	-	-	-
(Disability amount - self)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	-	-	-	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)	-	-	(223)	-	-	(223)	-	-	-
(Donations and gifts)	-	-	-	-	-	-	-	-	-
(Dividend credit - other)	-	-	-	-	-	-	-	-	-
(Dividend credit - eligible)	-	-	-	-	-	-	-	-	-
Alternative Minimum Tax	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Federal taxes	-	-	65,656	-	-	49,156	-	-	4,872

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Approved		

Indexation rates		
2017	-	
2018	-	
2019	-	
2020+	-	

	Marginal tax details for Mr. A			Marginal tax details for Mr. A			Marginal tax details for Mrs. A		
	Provincial			Provincial			Provincial		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	17,736	5.05%	896	17,736	5.05%	896	11,536	5.05%	583
Bracket 2	41,539	9.15%	3,801	41,539	9.15%	3,801	17,231	9.15%	1,577
Bracket 3	66,925	11.16%	7,469	66,925	11.16%	7,469	-	-	-
Bracket 4	70,000	12.16%	8,512	70,000	12.16%	8,512	-	-	-
Bracket 5	51,256	13.16%	6,745	1,256	13.16%	165	-	-	-
Bracket 6	-	-	-	-	-	-	-	-	-
(Basic personal amount)	-	-	-	-	-	-	-	-	-
(Age amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	(2,544)	5.05%	(128)	(2,544)	5.05%	(128)	(1,233)	5.05%	(62)
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Pension income amount)	-	-	-	-	-	-	-	-	-
(Disability amount - self)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	-	-	-	-	-	-	-	-	-
(Other credits - calculated amounts)	-	-	-	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)	-	-	(683)	-	-	(683)	-	-	-
(Donations and gifts)	-	-	-	-	-	-	-	-	-
Alternative Minimum Tax	-	-	-	-	-	-	-	-	-
Surtaxes	-	-	12,712	-	-	9,027	-	-	-
(Dividend credit - other)	-	-	-	-	-	-	-	-	-
(Dividend credit - eligible)	-	-	-	-	-	-	-	-	-
(Tax reduction)	-	-	-	-	-	-	-	-	-
Health tax	-	-	672	-	-	672	-	-	300
Adjustment	-	-	-	-	-	-	-	-	-
Provincial taxes	-	-	39,994	-	-	29,729	-	-	2,397



A Family  
 Income Splitting Worksheet  
 Prepared May 1, 2016

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

	Existing personal tax calculation		Existing personal tax calculation		Existing personal tax calculation	
	Taxpayer details		Taxpayer details		Taxpayer details	
Name	Mr. A. Jr.		Taxpayer 4		Taxpayer 5	
Description	With income splitting		With income splitting		With income splitting	
Tax province	BC		ON		ON	
Tax year ending	Dec 31, 2016		Dec 31, 2016		Dec 31, 2016	
Date of birth						
Net capital loss carryforwards	-		-		-	
	Existing taxable income		Existing taxable income		Existing taxable income	
Employment	5,000		-		-	
CPP	-		-		-	
Old Age Security	-		-		-	
Eligible pension	-		-		-	
Other than eligible dividends	-		-		-	
Gross-up	-		-		-	
Eligible dividends	-		-		-	
Gross-up	-		-		-	
Interest and other investment	-		-		-	
Net capital gains (losses)	-		-		-	
(Non-taxable portion)	-		-		-	
Other income	-		-		-	
Net business income (loss)	-		-		-	
Total income (loss)	5,000		-		-	
(RRSP deduction)	-		-		-	
(CPP on business)	-		-		-	
(Social benefits repayment)	-		-		-	
Adjustment	-		-		-	
Net income (loss)	5,000		-		-	
(Non capital losses of other years)	-		-		-	
(Net capital losses of other years)	-		-		-	
Adjustment	-		-		-	
Taxable income (loss)	5,000	No income taxes payable	-		-	

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

	Existing tax credits for Mr. A. Jr.		Existing tax credits for Taxpayer 4		Existing tax credits for Taxpayer 5	
	Carryforwards		Carryforwards		Carryforwards	
Charitable donations - 2015 or before - 75%	-		-		-	
Charitable donations - 2015 or before - no limit	-		-		-	
Charitable donations - 2016 or after - 75%	-		-		-	
Charitable donations - 2016 or after - no limit	-		-		-	
Tuition and related amounts - federal	-		-		-	
Tuition and related amounts - provincial	-		-		-	
	Current year		Current year		Current year	
Calculate CPP	Yes		Yes		Yes	
Calculate EI	Yes - employment		Yes - employment		Yes - employment	
Claim disability amount	-		-		-	
Charitable donations - 75%	-		-		-	
Charitable donations - no limit	-		-		-	
Tuition and related amounts - federal	10,000		-		-	
Other federal credits - credit rate	-		-		-	
Tuition and related amounts - provincial	10,000		-		-	
Other provincial credits - credit rate	-		-		-	
Other than eligible dividends - before rate change						
Eligible dividends - before rate change						

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

	Marginal personal tax calculation			Marginal personal tax calculation			Marginal personal tax calculation		
	Taxpayer details			Taxpayer details			Taxpayer details		
Name	Mr. A. Jr.			Taxpayer 4			Taxpayer 5		
Description	With income splitting			With income splitting			With income splitting		
Tax province	BC			ON			ON		
Tax year ending	Dec 31, 2016			Dec 31, 2016			Dec 31, 2016		
Date of birth									
	Marginal taxable income			Marginal taxable income			Marginal taxable income		
Employment	-			-			-		
Eligible pension	-			-			-		
Other than eligible dividends	-			-			-		
Gross-up	-			-			-		
Eligible dividends	-			-			-		
Gross-up	-			-			-		
Interest and other investment	-			-			-		
Net capital gains (losses)	-			-			-		
(Non-taxable portion)	-			-			-		
Other income	-			-			-		
Net business income (loss)	20,000			-			-		
Total income (loss)	20,000			-			-		
(RRSP deduction)	-			-			-		
(CPP on business)	(990)			-			-		
(Social benefits repayment)	-			-			-		
Adjustment	-			-			-		
Net income (loss)	19,010			-			-		
(Non capital losses of other years)	-			-			-		
(Net capital losses of other years)	-			-			-		
Adjustment	-			-			-		
Taxable income (loss)	19,010		No provincial income taxes payable	-			-		

A Family  
 Income Splitting Worksheet  
 Prepared May 1, 2016

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

	Marginal tax credits for Mr. A. Jr.		Marginal tax credits for Taxpayer 4		Marginal tax credits for Taxpayer 5	
	Current year		Current year		Current year	
Charitable donations - 75%	-		-		-	
Charitable donations - no limit	-		-		-	
Other federal credits - credit rate	-		-		-	
Other provincial credits - credit rate	-		-		-	
Other than eligible dividends - before rate change						
Eligible dividends - before rate change						

∞ - Top section  
∞ - T1 section  
∞ - T1 details

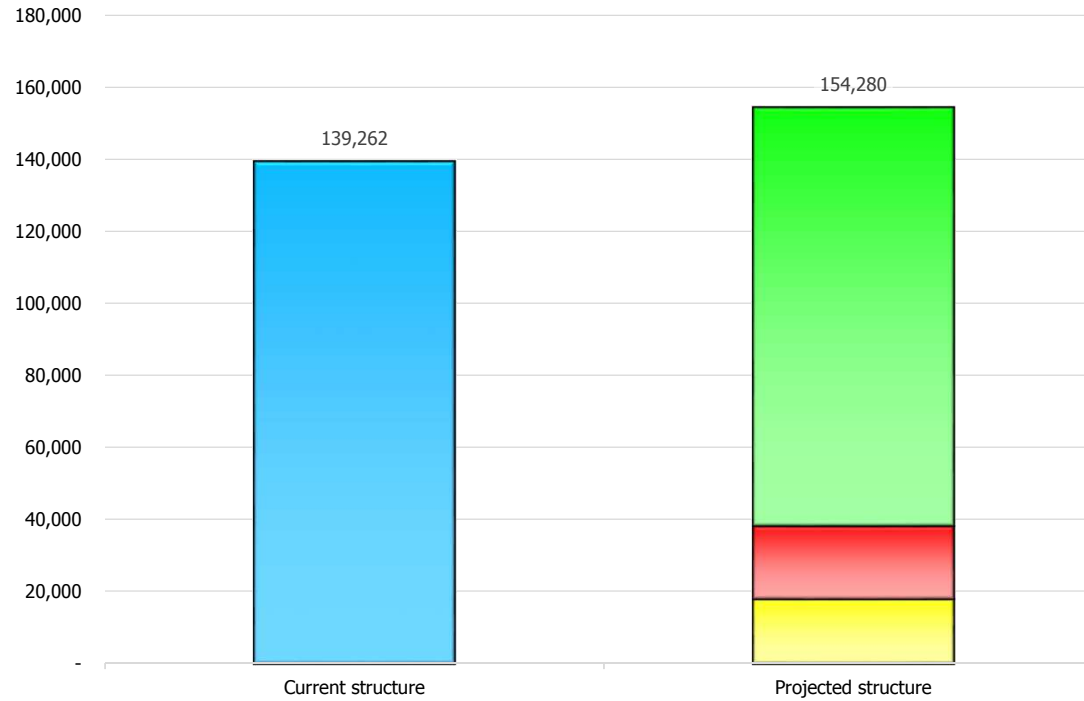
	Marginal tax details for Mr. A. Jr.			Marginal tax details for Taxpayer 4			Marginal tax details for Taxpayer 5		
	Federal			Federal			Federal		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	19,010	15.00%	2,852	-	-	-	-	-	-
Bracket 2	-	-	-	-	-	-	-	-	-
Bracket 3	-	-	-	-	-	-	-	-	-
Bracket 4	-	-	-	-	-	-	-	-	-
Bracket 5	-	-	-	-	-	-	-	-	-
(Basic personal amount)	(6,474)	15.00%	(971)	-	-	-	-	-	-
(Age amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	(990)	15.00%	(149)	-	-	-	-	-	-
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Pension income amount)	-	-	-	-	-	-	-	-	-
(Disability amount - self)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	(10,000)	15.00%	(1,500)	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)			(199)			-			-
(Donations and gifts)			-			-			-
(Dividend credit - other)	-	-	-	-	-	-	-	-	-
(Dividend credit - eligible)	-	-	-	-	-	-	-	-	-
Alternative Minimum Tax			-			-			-
Adjustment									
Federal taxes			33			-			-

∞ - Top section  
 ∞ - T1 section  
 ∞ - T1 details

	Marginal tax details for Mr. A. Jr.			Marginal tax details for Taxpayer 4			Marginal tax details for Taxpayer 5		
	Provincial			Provincial			Provincial		
	Amount	Rate	Tax	Amount	Rate	Tax	Amount	Rate	Tax
Bracket 1	19,010	5.06%	962	-	-	-	-	-	-
Bracket 2	-	-	-	-	-	-	-	-	-
Bracket 3	-	-	-	-	-	-	-	-	-
Bracket 4	-	-	-	-	-	-	-	-	-
Bracket 5	-	-	-	-	-	-	-	-	-
Bracket 6	-	-	-	-	-	-	-	-	-
(Basic personal amount)	(5,027)	5.06%	(254)	-	-	-	-	-	-
(Age amount)	-	-	-	-	-	-	-	-	-
(CPP credit - employment)	-	-	-	-	-	-	-	-	-
(CPP credit - business)	(990)	5.06%	(50)	-	-	-	-	-	-
(EI credit - employment)	-	-	-	-	-	-	-	-	-
(EI credit - business)	-	-	-	-	-	-	-	-	-
(Canada employment amount)	-	-	-	-	-	-	-	-	-
(Pension income amount)	-	-	-	-	-	-	-	-	-
(Disability amount - self)	-	-	-	-	-	-	-	-	-
(Tuition and related amounts)	(10,000)	5.06%	(506)	-	-	-	-	-	-
(Other credits - calculated amounts)	-	-	-	-	-	-	-	-	-
(Other credits - credit rate)	-	-	-	-	-	-	-	-	-
(Unused credits from existing income)			(8)			-			-
(Donations and gifts)			-			-			-
Alternative Minimum Tax			-			-			-
Surtaxes			-			-			-
(Dividend credit - other)	-	-	-	-	-	-	-	-	-
(Dividend credit - eligible)	-	-	-	-	-	-	-	-	-
(Tax reduction)			(143)			-			-
Health tax			-			-			-
Adjustment									
Provincial taxes			-			-			-

# Income Splitting Worksheet - Net Cash Results

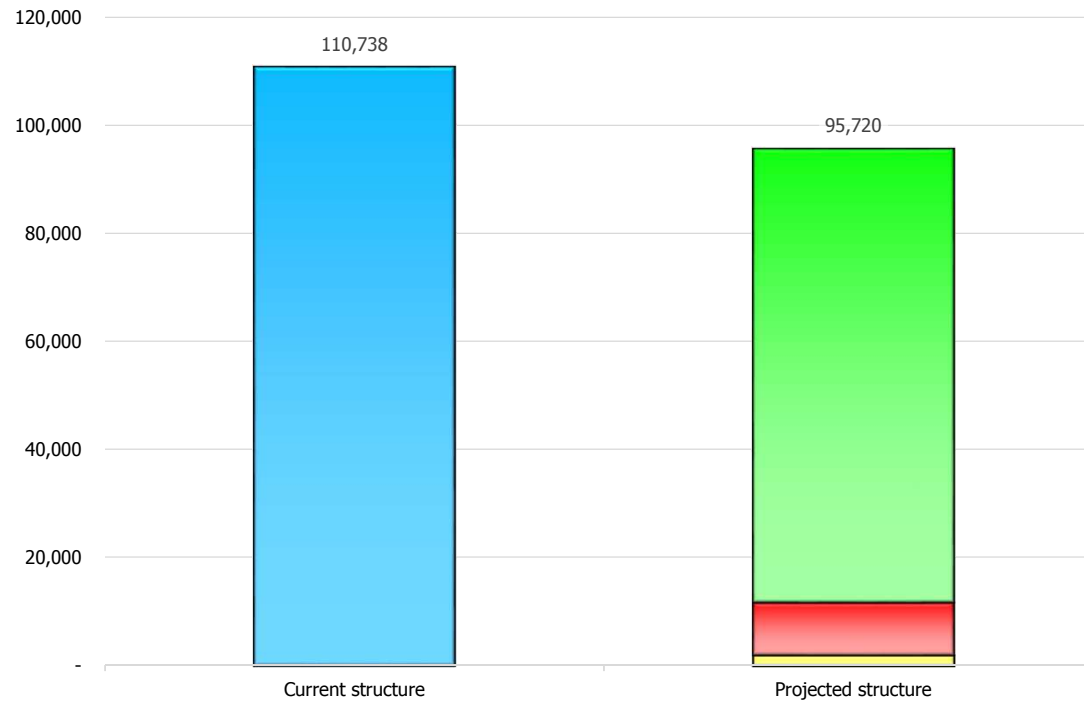
A Family - Prepared May 1, 2016



	Net cash before personal taxes	Taxes payable	Net cash	Tax province	Existing income
Current structure - Mr. A	250,000	110,738	139,262	ON	23,800
Projected structure - Mr. A	200,000	83,974	116,026	ON	23,800
Projected structure - Mrs. A	30,000	9,734	20,266	ON	30,000
Projected structure - Mr. A. Jr.	20,000	2,013	17,987	BC	5,000
Projected structure - Taxpayer 4	-	-	-	ON	-
Projected structure - Taxpayer 5	-	-	-	ON	-
Net benefit (cost)	-		15,018		

# Income Splitting Worksheet - Taxes Payable

A Family - Prepared May 1, 2016



	Net cash before personal taxes	Taxes payable	Net cash	Tax province	Existing income
Current structure - Mr. A	250,000	110,738	139,262	ON	23,800
Projected structure - Mr. A	200,000	83,974	116,026	ON	23,800
Projected structure - Mrs. A	30,000	9,734	20,266	ON	30,000
Projected structure - Mr. A. Jr.	20,000	2,013	17,987	BC	5,000
Projected structure - Taxpayer 4	-	-	-	ON	-
Projected structure - Taxpayer 5	-	-	-	ON	-
Net benefit (cost)	-		15,018		