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Prepared May 31, 2026

2026 Combined Federal and Provincial
Average Tax Rates for Prince Edward Island

(See separate schedule for Marginal Tax Rates)

Personal Income [Note 1]	Average Tax Rate [Note 2]	
	Under Age 65	Age 65 or over (includes OAS Clawback)
$15,000	**0%**	**0%**
$20,000	**3%**	**0%**
$30,000	**11%**	**2%**
$40,000[3]	**15%**	**9%**
$50,000	**17%**	**13%**
$60,000	**19%**	**16%**
$70,000	**22%**	**20%**
$80,000	**24%**	**22%**
$90,000	**25%**	**24%**
$100,000[4]	**26%**	**26%**
$125,000	**29%**	**32%**
$150,000	**32%**	**36%**
$175,000	**34%**	**38%**
$200,000	**35%**	**39%**
$250,000	**38%**	**41%**
$500,000	**45%**	**47%**
$1,000,000	**49%**	**49%**

Note 1 - Personal Income: Personal income for this table is total income (line 15000) of the tax return, including Old Age Security (OAS) where applicable, and assumes no deductions or credits other than the OAS Clawback, the basic personal amount, and the age and pension amounts. The OAS clawback is included in the tax cost. **These rates apply to regular income**, such as employment, pension, interest and business income, and the taxable portion of capital gains. Guaranteed Income Supplement (GIS) is not included in income for these rate calculations. It is assumed that the taxpayer starts full OAS at age 65; the 10% increase at age 75 is ignored. Effects of various clawbacks other than the OAS and the age credit are excluded. Taxable Canadian dividends would be taxed at lower rates. Increasing income may result in reductions of EI benefits, GIS, Canada Child Benefit, Canada Groceries and Essentials Benefit, medical expense credit, nursing home subsidies and other payments and benefits. Alternative minimum tax may also be applicable. Rates may be changed at any time. See your tax advisor for the most current and complete information.

Note 2 - Average Rates vs. Marginal Rates: Average tax rates relate to income taxes paid in relation to total taxable income. The rates shown here include OAS as income and its repayment as part of the tax cost. When calculating the "extra" tax cost of a specific amount being added to other taxable income, such as an immediate RRSP withdrawal, "marginal tax rates" should be used. An "average" rate is appropriate when estimating taxes based on total income where all sources of income are considered equal. For example, the average tax rate may apply to assets being valued for divorce purposes that will be taxed when realized sometime in the future (e.g. in retirement and *included with* other income) but the marginal rate would be used for amounts to be taxed immediately *in addition to* existing income.

Note 3 - The age clawback starts at $46,432 federally and $36,600 for PEI.

Note 4 - The Old Age Security clawback starts at income over $95,323.