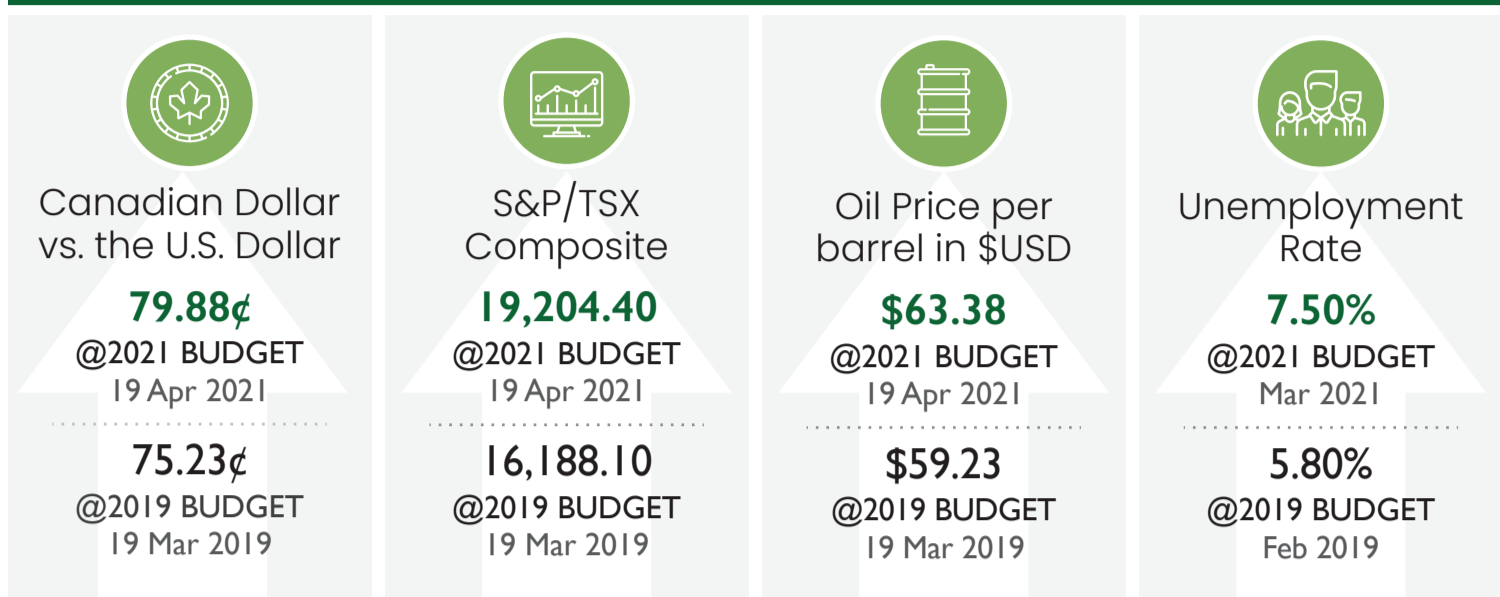


2021 2022 CANADA'S BUDGET

The Federal government's budget on April 19, 2021 introduces changes that may affect your individual and family finances

Reflections since the last budget*



* PERIOD BETWEEN 19 MAR 2019 - 19 APR 2021

Emergency Support Programs

Extending emergency supports to bridge Canadians and Canadian businesses through to recovery



Canada Emergency Wage Subsidy (CEWS)

For Canadian employers to re-hire workers laid off as a result of COVID-19 is extended to Sept 2021 with a gradual decreased subsidy rate starting July 4, 2021.



Canada Recovery Benefit

Income support for self-employed individuals or those not eligible for Employment Insurance is extended to Sept 2021 to a maximum of 50 weeks.



Canada Emergency Rent Subsidy

Rent and mortgage support for qualifying organizations affected by COVID-19 is extended to Sept 2021 with a gradual decrease starting July 4, 2021.



EI Sickness Benefits Extended

Income support for individuals who are sick or must self-isolate due to COVID-19, is extended to 26 weeks.



Canada Recovery Hiring Program

Provides qualifying employers with up to \$1,129 per week for employees hired between Jun 6, 2021 and Nov 20, 2021. Eligible employers would claim the higher of the CEWS or the new proposed subsidy.



Canada Recovery Caregiving Benefit

Income support if an individual must stop work to care for dependents due to closures, is extended to a maximum of 42 weeks.

Budget Highlights



National Child Care

\$30 billion in additional funding in child-care spending to drive down fees in licensed daycares to \$10 per day by 2026.



Energy Saving Retrofit Loans

Interest-free loans up to \$40,000 to retrofit homes to make them more energy efficient starting in summer 2021.



Disability Tax Credit

Updated criteria including mental health and minimum required frequency of therapy, for assessment to qualify for the Disability Tax Credit.



Student Loan Interest

No interest on the federal portion of student loans until March 2023, along with an income threshold for repayment increased to \$40,000 from \$25,000 per year.



Student Grants

Federal student grants will double for an additional two years until July 2023.



Luxury Tax

Luxury cars, expensive private boats and personal aircraft will be subject to increased taxes starting Jan 1, 2022.



Increase in OAS for Canadians 75+

Pensioners aged 75 and older will receive a one-time taxable grant payment of \$500 in Aug 2021 along with a boost in OAS by 10% annually, starting in July 2022.



Individual Pension Plans

The full transfer of a defined benefit pension's commuted value to a newly incorporated business Individual Pension Plan (IPP) won't be allowed.



Life Annuities

Retirees can move savings out of their registered retirement funds to an annuity deferred until age 85 using Advanced Life Deferred Annuities (ALDA) and Variable Payment Life Annuities (VPLA).

Contact us to discuss how these changes may impact your financial plan.



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Sources: Budget highlights | Bank of Canada Exchange Rates | Crude oil prices | S&P/TSX Composite Index
Unemployment Rate February 2019 | Unemployment Rate March 2021
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