

2021 FEDERAL BUDGET

at your fingertips

There are proposals in the recent Federal Budget that are important to you, your family and your business. Here's our handy tip sheet to help you manage your finances.

Highlights



Seeing Canadians and businesses through to recovery

Extending Covid-19 Economic Response Plans:

- Canada Emergency Wage Subsidy; Canada Emergency Rent Subsidy and Lockdown Support, Canada Emergency Business Account.
- Additional 12 weeks of Canada Recovery Benefit, Canada Recovery Caregiving Benefit

Programs give people time to adjust by phasing out over longer time as vaccinations increase and economy and businesses recover



New opportunities for Canadians

Bring certain daycare fees down to \$10/day over 5 years and reduce costs by 50% by end of 2022

Investing in early learning and child care offers jobs and growth opportunities for parents, especially to women, young learners

Jobs initiatives and skills strategy:

- Helping employers recruit and train workers; make it easier for young people to get good jobs and skills;
- Canada summer jobs for ages 15-30
- \$15 federal minimum wage rising with inflation
- Enhance Canada Workers Benefit raising threshold for benefit reductions

Investing in skills, training and trades relevant to needs of small/ medium sized business and employees



Helping Canadian businesses grow and succeed

Canada Recovery Hiring Program:

- Program for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic
- Enhancing the Canada Small Business Financing Program

Subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff.

Investing in Canada's Entrepreneurs:

- Allow immediate expensing of up to \$1.5 million of eligible investments by Canadian-controlled private corporations in each of the next three years.
- Up to \$146.9 million to strengthen the Women Entrepreneurship Strategy.
- Support Black Canadian Communities Initiative at Employment and Social Development Canada.

- An important boost for business investments
- Women entrepreneurs would have greater access to financing, mentorship, and training
- Support historically disadvantaged black entrepreneurs

Highlights



Responsible Government

Digital Services Tax:

Rate of 3% beginning this fiscal year on revenue from digital services that rely on data and content contributions from Canadian users. The tax would apply to large businesses with gross revenue of 750 million euros or more.

Cost may be passed on to users of services

Luxury Tax on purchases of:

- New cars at \$100K+; Planes at \$100K+; Boats at \$250K
- 1% Tax on Unproductive Use of Canadian Housing by Foreign Non-Resident Owners
- Tackling Tax Avoidance and Evasion

- Tax visible wealth; Penalize empty primary housing held merely for investment purposes;
- Enhancing CRA capacity to audit, identify and pursue tax avoidance schemes, beneficial ownership transparency



Protecting our Seniors and mental health

Old Age Security:

Increasing Old Age Security for Canadians age 75+ by 10% beginning July 2022 and issuing a \$500 one-time cheque to OAS recipients age 75+, Aug. 2021

Review guaranteed lifetime income forecasts

Long Term Care:

\$3 billion over five years, starting in 2022-23 with conditions to be worked out with provinces and territories

Response to longstanding criticism of funding for our aged

Mental Health initiatives Support

\$100 Million set aside over 3 years

Pandemic has emphasized and increased longstanding need for support

Talk to your advisor for more advice and information on managing your finances.

Source: A RECOVERY PLAN FOR JOBS, GROWTH, AND RESILIENCE, Budget 2021

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