

# 2018 CANADA'S BUDGET

The Federal government's budget on February 27, 2018 introduced changes that may affect your individual and family finances.

## REFLECTIONS SINCE THE LAST BUDGET\*

### Canadian Dollar vs. the U.S. Dollar

**78.49¢**  
@2018 BUDGET  
27 Feb 2018

74.85¢  
@2017 BUDGET  
22 Mar 2017

### S&P/TSX Composite

**15,671.15**  
@2018 BUDGET  
27 Feb 2018

15,348.46  
@2017 BUDGET  
22 Mar 2017

### Oil Price per barrel in \$USD

**\$63.01**  
@2018 BUDGET  
27 Feb 2018

\$48.27  
@2017 BUDGET  
22 Mar 2017

### Canada Unemployment Rate

**5.90%**  
@2018 BUDGET  
Jan 2018

6.6%  
@2017 BUDGET  
Feb 2017

\* PERIOD BETWEEN 22 MAR 2017 - 27 FEB 2018

## PROJECTED DEFICIT

2017-18  
-\$19.4

2018-19  
-\$18.1

2019-20  
-\$17.5

2020-21  
-\$16.9

2021-22  
-\$13.8

2022-23  
-\$12.3

DEFICIT MEASURED IN BILLIONS.

## TAX RATES



### NO INCREASE TO PERSONAL INCOME TAX RATES

There are no changes to individual income tax rates or tax bracket.



### CORPORATE TAX RATES

The budget confirms the reductions in the small business rates announced in October 2017, from 10.5% to 10.0% in 2018, and 9.0% in 2019.



### CAPITAL GAINS INCLUSION RATE

The capital gains inclusion rate remains at 50%.

What does the 2018 Budget mean for you?  
Talk to your advisor today.

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# HIGHLIGHTS



## CANADA CHILD BENEFIT

The Canada Child Benefit will be indexed to inflation starting July 2018.



## EI PARENTAL SHARING BENEFIT

EI parental benefits can be extended by an additional 5-8 weeks when both parents share parental leave.



## EI CAREGIVERS BENEFIT

This benefit is extended to include maternity and sickness benefits.



## CANADA WORKERS BENEFIT

A refundable tax credit supplementing low-income workers.



## RESPS AND CANADA LEARNING BOND

Ontario parents will be able to open an RESP at online birth registration to allow eligible children to receive the Canada Learning Bond.



## MEDICAL EXPENSE TAX CREDIT

Expenses from service animals specially trained to help patients with a mental impairment will be eligible as medical expenses.



## REGISTERED DISABILITY SAVINGS PLANS

Certain family members can continue to be plan holders of an RDSP until 2023 for adults unable to enter into contracts.



## LIFELONG LEARNING

A pilot project will provide adults returning to school, full-time after years in the workforce, an additional grant of \$1,600.



## CPP ENHANCEMENT

CPP Enhancement will provide more money for Canadians when they retire.



## QUEBEC PENSION PLAN

Proposed deduction for employee contributions to the enhanced portion of the QPP.



## PASSIVE INVESTMENT INCOME

Reduced access to the lower small business tax rate for corporations earning more than \$50K in annual income from passive investments.



## TAX ON SPLIT INCOME

Tax on split income now applies to dividends paid to family members except when they are actively involved in the business.



## WOMEN ENTREPRENEURS

\$1.65 billion over three years is committed to new financing for women entrepreneurs.



## REFUNDS FROM DIVIDENDS

Private corporations will no longer be able to obtain refunds of taxes paid on investment income while distributing dividends from income taxed at the general corporate rate.



## MINERAL EXPLORATION CREDIT

This credit is being extended for another year to March 31, 2019



## REPORTING REQUIREMENTS FOR TRUSTS

Certain trusts will be required to report the identity of all trustees, beneficiaries and settlors for tax returns filed for the 2021 tax year and beyond.

Sources: Budget highlights: <https://www.budget.gc.ca/2018/home-accueil-en.html>

Bank of Canada Exchange Rates: <https://www.bankofcanada.ca/rates/exchange/currency-converter>

Crude oil prices: <http://ca.investing.com/commodities/crude-oil-historical-data>

S&P/TSX Composite Index: [http://web.tmxmoney.com/pricehistory.php?qm\\_symbol=%5ETSX](http://web.tmxmoney.com/pricehistory.php?qm_symbol=%5ETSX)

Unemployment Rate February 2017: <http://www.statcan.gc.ca/daily-quotidien/170310/dq170310a-eng.htm>

Unemployment Rate January 2018: <http://www.statcan.gc.ca/daily-quotidien/180209/dq180209a-eng.htm>

Federal Deficit: <https://www.budget.gc.ca/2018/docs/plan/overview-apercu-en.html>