

# 2019 CANADA'S BUDGET

The Federal government's budget on March 19, 2019 introduced changes that may affect your individual and family finances.

## REFLECTIONS SINCE THE LAST BUDGET

**Canadian Dollar vs. the U.S. Dollar**

**75.23¢**

@2019 BUDGET  
19 Mar 2019

**78.49¢**

@2018 BUDGET  
27 Feb 2018

**S&P/TSX Composite**

**16,188.10**

@2019 BUDGET  
19 Mar 2019

**15,671.15**

@2018 BUDGET  
27 Feb 2018

**Oil Price per barrel in USD**

**\$59.23**

@2019 BUDGET  
19 Mar 2019

**\$63.01**

@2018 BUDGET  
27 Feb 2018

**Canada Unemployment Rate**

**5.80%**

@2019 BUDGET  
Feb 2019

**5.90%**

@2018 BUDGET  
Jan 2018

\* PERIOD BETWEEN 27 FEB 2018 - 19 MAR 2019

## PROJECTED DEFICIT

**2018-19**  
**-\$14.9**

**2019-20**  
**-\$19.8**

**2020-21**  
**-\$19.7**

**2021-22**  
**-\$14.8**

**2022-23**  
**-\$12.1**

**2023-24**  
**-\$9.8**

DEFICIT MEASURED IN BILLIONS.

## HIGHLIGHTS

### HOME BUYERS PLAN

The amount that first-time home buyers can withdraw from their RRSPs to buy or build a new home is increased to \$35,000 from \$25,000.



### SHARED EQUITY MORTGAGE

Eligible first-time buyers who have the minimum down payment for an insured mortgage can apply to finance a portion of their home purchase through a shared equity mortgage with CMHC.

### ADVANCED LIFE DEFERRED ANNUITY (ALDA)

Retirees will be able to purchase an ALDA under certain registered plans (RRSP, RRIF, DPSP, PRPP, RPP) and defer annuity payments until age 85.

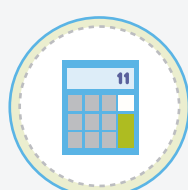


### VARIABLE PAYMENT LIFE ANNUITY (VPLA)

The budget proposes to amend the tax rules to permit PRPPs and defined contribution RPPs to provide a variable payment life annuity (VPLA) to members directly from the plan.

### GIS & ALLOWANCE EXEMPTIONS

Provides exemptions up to \$15,000 of annual employment and self-employment income for each GIS or Allowance recipient as well as their spouse.

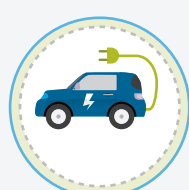
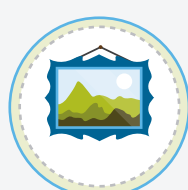


### AUTO-ENROLMENT FOR CPP

The federal government will proactively enroll CPP contributors who are age 70 or older and who have not yet applied to receive their CPP benefits.

### DONATION OF CULTURAL PROPERTY

Cultural property no longer needs to be deemed of national importance to qualify for the enhanced tax incentives for donations.

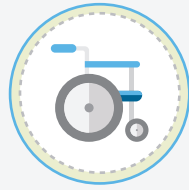


### ZERO-EMISSION VEHICLES

Zero-emission vehicles will be eligible for a full tax write-off in the year they are put in use. Capital costs for eligible vehicles will be deductible up to a limit of \$55,000 plus sales tax.

### MEDICAL EXPENSE TAX CREDIT

Amounts paid for cannabis for medical purposes on or after October 17, 2018 will qualify for the medical expense tax credit.



### REGISTERED DISABILITY SAVINGS PLAN

The rules for the Registered Disability Savings Plans have changed to better protect the long-term savings of persons with disabilities.

### CANADA STUDENT LOANS

The floating interest rate will be dropped to prime (from prime +2.5%) and fixed interest rate lowered to prime + 2% (from prime +5%), with an interest-free, six-month non-repayment grace period.

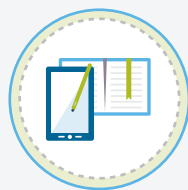


### ACCESSIBLE EDUCATION

The cap has been increased on the Canada Student Grant from \$8,000 to \$20,000 per year for Services and Equipment for Students with Permanent Disabilities.

### CANADA TRAINING CREDIT

This non-taxable credit will allow eligible workers aged 25 to 64 a credit balance of \$250 per year, which can accumulate to a lifetime limit of \$5,000 to be used to cover up to half of eligible tuition and training fees.



### EI TRAINING SUPPORT

Provides up to four weeks of income support through Employment Insurance when an individual needs time to take off work for skills training.

### EMPLOYEE STOCK OPTIONS

An annual cap of \$200,000 on employee stock option grants (based on the fair market value of the underlying shares) will be applied for employees of large, long-established, mature companies.



### COMMUTED VALUE IPP RESTRICTIONS

Measures to ensure that an individual pension plan (IPP) can't be implemented simply to avoid tax on the commuted value of benefits from another defined benefit (DB) plan.

**What does the 2019 Budget mean for you? Talk to your advisor today.**



Sources:

Budget highlights: <https://www.budget.gc.ca/2019/home-accueil-en.html>  
Bank of Canada Exchange Rates: <https://www.bankofcanada.ca/rates/exchange/currency-converter>  
Crude oil prices: <https://ca.investing.com/commodities/crude-oil-historical-data>  
S&P/TSX Composite Index: [https://web.tmxmoney.com/pricehistory.php?qm\\_symbol=%5ETSX](https://web.tmxmoney.com/pricehistory.php?qm_symbol=%5ETSX)  
Unemployment Rate January 2018: <https://www150.statcan.gc.ca/n1/daily-quotidien/180209/dq180209a-eng.htm>  
Unemployment Rate February 2019: <https://www150.statcan.gc.ca/n1/daily-quotidien/190308/dq190308a-eng.htm>  
Federal Deficit: <https://www.budget.gc.ca/2019/docs/plan/overview-apercu-en.html>

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