

# 2022 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



#### Home ownership measures

##### New tax-free first time home savings account:

- Up to \$40K in tax deductible contributions; tax free growth and withdrawals
- Doubling first time home buyers credit, first time buyers' incentive, home accessibility credit
- New multi-generational home renovation tax credit

Programs give people more ways to save for first home and gives families tax breaks when adding units to home to accommodate senior and disabled relatives

- Develop home buyers Bill of Rights
- Increase housing supply

Permit more people to become home owners including low income families across Canada and protect buyers

- House flipping and assignment sales being taxed

Curb excessive profits and tax speculators



#### Healthcare

##### Increased health transfers to provinces and territories

- Dental care phase in targeting family households earning < \$70K; children, seniors and those living with disability

Help with Pandemic expenses, deal with surgical backlogs  
Increasing support for lower income families starting with dental

- Enhanced coverage for medical expenses and access to Medical Expense Credit

Expanding definition of "patient" and eligible expenses

- Targeting Canada Pharmacare Bill by end of 2023

So people have access to affordable prescription drugs



#### Small and medium size business

##### Small business deduction:

Raise phase out ceiling from \$15 Million of taxable income to \$50 Million.

Leaves companies with more after tax cash for reinvestment, profits, funds to pay for benefits, funding contingency plans

##### Employee Ownership Trust:

- Looking at new dedicated trust under Income Tax Act

Aimed at enabling broad-based employee ownership of companies, supporting business succession, spreading wealth and promoting economic resilience

## Highlights



### Small and medium size business

#### Corporation tax changes:

- Substantive Canadian Controlled Private Corporations (CCPCs) are taxed on passive income as if they remained CCPC

Level playing field for all private corporations regarding tax on passive income; leaves corporate owned life insurance strategies as sound alternatives to reducing tax on passive income

#### Intergenerational Wealth Transfer:

- Government collaborating with key stakeholders to facilitate genuine family business transfers

Government making this a priority, eliminating uncertainties in transfers of family businesses



### Going green and clean

#### Emissions Reduction Plan:

- Multiple investments and incentives in innovation and clean technology

Create incentives for consumers, businesses and investors to protect the environment



### Taking care of our aging population and their pensions

#### Amending Pension Benefits Act and Pooled Registered Pension Plans Act:

- Create expert panel to study idea of Aging at Home Benefit
- No details of review on other disability credits and benefits

Improve long term security and sustainability of federally regulated pensions

#### Long Term Care:

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

Response to long-standing criticism of funding for our aged

#### Mental Health initiatives Support:

- \$100 Million set aside over 3 years

Pandemic has emphasized and increased long-standing need for support

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

Source: *A Plan to Grow Our Economy and Make Life More Affordable*, Federal Budget 2022

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