

2018 CANADA'S BUDGET

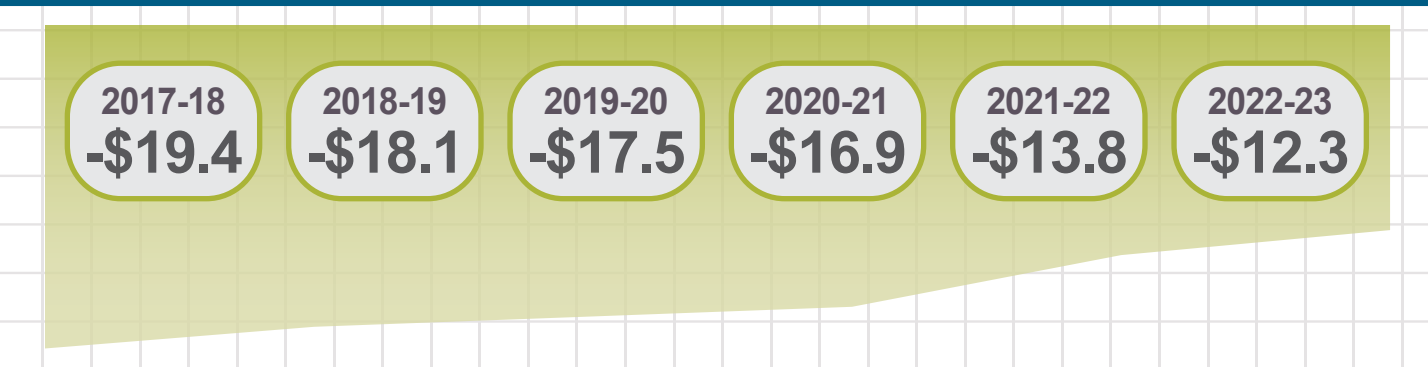
The Federal government's budget on February 27, 2018 introduced changes that may affect your individual and family finances.

REFLECTIONS SINCE THE LAST BUDGET*

Canadian Dollar vs. the U.S. Dollar	S&P/TSX Composite	Oil Price per barrel in \$USD	Canada Unemployment Rate
78.49¢ @2018 BUDGET 27 Feb 2018	15,671.15 @2018 BUDGET 27 Feb 2018	\$63.01 @2018 BUDGET 27 Feb 2018	5.90% @2018 BUDGET Jan 2018
74.85¢ @2017 BUDGET 22 Mar 2017	15,348.46 @2017 BUDGET 22 Mar 2017	\$48.27 @2017 BUDGET 22 Mar 2017	6.6% @2017 BUDGET Feb 2017

* PERIOD BETWEEN 22 MAR 2017 - 27 FEB 2018

PROJECTED DEFICIT



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%.

HIGHLIGHTS

CANADA CHILD BENEFIT

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



EI PARENTAL SHARING BENEFIT

Starting in June 2019, EI parental benefits can be extended by an additional 5 to 8 weeks when both parents agree to share parental leave.

EI CAREGIVERS BENEFIT

This benefit is extended to include maternity and sickness benefits.



CANADA WORKERS BENEFIT

The working income tax benefit, a refundable tax credit supplementing low-income workers, will be enhanced and renamed the Canada Workers Benefit.

MEDICAL EXPENSE TAX CREDIT

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



REGISTERED DISABILITY SAVINGS PLANS

The measure that permits certain family members to be the plan holder of an RDSP for adults who might not be able to enter into contracts has been extended to the end of 2023.

LIFELONG LEARNING

A 3-year pilot project will provide adults returning to school, full-time after several years in the workforce, an additional grant of \$1,600 starting Aug 1, 2018.



RESPS AND CANADA LEARNING BOND

Parents in Ontario will be able to open an RESP at the same time as they apply for other services under the online birth registration service to allow eligible children to receive the Canada Learning Bond.

CPP ENHANCEMENT

CPP Enhancement will provide more money for Canadians when they retire, including increased retirement benefits both for parents who take time off work to care for young children, and for persons with prolonged disabilities.

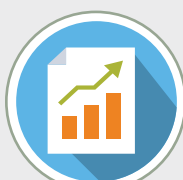


QUEBEC PENSION PLAN

Amendments are proposed to provide a deduction for employee contributions to the enhanced portion of the QPP. This will apply to the 2019 and subsequent tax years.

WOMEN ENTREPRENEURS

\$1.65 billion over three years is committed to new financing for women entrepreneurs through the Business Development Bank of Canada and Export Development Canada.

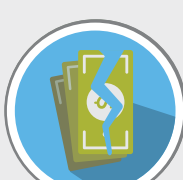


PASSIVE INVESTMENT INCOME

Access to the lower small business tax rate will be gradually reduced for corporations that earn more than \$50,000 in annual income from passive investments.

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.

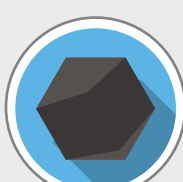
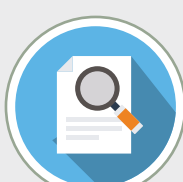


TAX ON SPLIT INCOME

Effective January 1, 2018 tax on split income (TOSI) now applies to dividends paid to family members except when they are actively involved in the business.

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.



MINERAL EXPLORATION CREDIT

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

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



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

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>

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