








BUDGET 2024 HIGHLIGHTS

Canadian Federal Budget

The Federal government's budget on April 16, 2024 introduces changes that may affect your individual and family finances.

Reflections since the last Budget*

 <p>Canadian Dollar vs. the U.S. Dollar</p> <p>72.35¢ 16 April 2024</p> <p>MARCH 28, 2023 BUDGET 73.39¢</p>	 <p>S&P/TSX Composite</p> <p>21,642.87 16 April 2024</p> <p>MARCH 28, 2023 BUDGET 19,657.53</p>	 <p>Oil Price per barrel in \$USD</p> <p>\$85.28 16 April 2024</p> <p>MARCH 28, 2023 BUDGET \$73.37</p>	 <p>Unemployment Rate</p> <p>6.10% March 2024</p> <p>MARCH 28, 2023 BUDGET 5.00%</p>	 <p>Federal Deficit</p> <p>\$40.0 billion 16 April 2024</p> <p>MARCH 28, 2023 BUDGET \$43.0 billion</p>
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* PERIOD BETWEEN 28 MARCH 2023 - APRIL 16, 2024

Budget Highlights

Budget 2024 initiatives are aimed to grow the economy in a way that helps every generation get ahead.



Higher Capital Gains Inclusion Rate
"Inclusion rate" will increase from 50% to 66.7% on capital gains above \$250,000 per year for individuals, and on all capital gains realized by corporations and trusts.



Lifetime Capital Gains Exemption (LCGE)
Increases to \$1.25 million (from \$1,016,836), with indexation of the LCGE resuming in 2026. Applies to dispositions that occur on or after June 25, 2024.



Canadian Entrepreneurs' Incentive
Allows individuals to use a 33.3% capital gains inclusion rate for the disposition of qualifying shares, subject to a lifetime limit of up to \$2 million in capital gains – limit will be phased in by increments of \$200,000 annually.



Alternative Minimum Tax (AMT)
Allows individuals to claim 80% of their Charitable Donations Tax Credit when calculating AMT.



Home Buyers Plan
RRSP withdrawal limit increased to \$60,000 (from \$35,000) without tax for 2024 and subsequent calendar years, for eligible first home purchases. Start of the repayment period temporarily deferred to the fifth year following year of first withdrawal.



Canada Carbon Rebate for Small Businesses
A new automatic refundable tax credit will be available to Canadian-controlled private corporations with under 500 employees.

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More Budget Highlights



Canada Child Benefit (CCB)

CCB will be extended for six months after a child's death, starting in January 2025.



Canada Learning Bond (CLB)

The government will open a Canada Learning Bond (CLB) if a child does not have an RESP by age four. The CLB pays \$500 in the first year the child is eligible, plus \$100 for each additional year of eligibility, up to age 15, for a maximum of \$2,000.



Student Grants and Loans

The government will continue extending the increase in full-time Canada Student Grants from \$3,000 to \$4,200 and interest-free Canada Student Loans from \$210 to \$300 per week.



Disability Supports Deduction

Annual maximum benefit of \$2,400 with expanded list of recognized expenses under the Disability Supports Deduction, effective 2024 and subsequent taxation years.



Tradespeople's Travel Expenses

The budget announces that the government will consider providing for a single, harmonized deduction for tradespeople's travel expenses, replacing the current \$4,000 limit with no cap on expenses, retroactive to the 2022 taxation year.



Volunteer Firefighters and Search and Rescue Volunteers Tax Credits

The budget increases this credit to \$6,000 from \$3,000 starting in 2024.

Canada Pension Plan Changes



CPP Enhancement

Starting in 2024, the CPP enhancement will introduce a higher earnings limit. Earnings up to \$68,500 will be subject to standard CPP contributions. A second earnings ceiling of \$73,200 will be implemented in 2024. Earnings between \$68,500 and \$73,200 will be subject to CPP2 contributions, at a different rate.



CPP Benefits

The expansion of benefits include:

- doubling the death benefit for some contributors,
- introducing a partial child benefit for part-time students,
- extending the eligibility for the disabled contributors children's benefit beyond a parent's 65th birthday, and
- ending eligibility for survivor pensions if a couple is legally separated.

SOURCES:

Budget 2024: <https://budget.canada.ca/2024/home-accueil-en.html>

Federal Deficit: <https://www.budget.canada.ca/2023/report-rapport/overview-aperçu-en.html#a1>

Canadian/US Dollar: <https://www.bankofcanada.ca/rates/exchange/currency-converter>

S&P/TSX Composite Index: <https://ca.finance.yahoo.com/quote/%5EGSP5TSE/history?p=%5EGSP5TSE>

Crude Oil Prices: <https://ca.investing.com/commodities/crude-oil-historical-data>

Unemployment Rate March 2024 (6.1%) <https://www150.statcan.gc.ca/n1/daily-quotidien/240405/dq240405a-eng.htm>

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