



Canadian Apprenticeship Forum
Forum canadien sur l'apprentissage

Tax Credits and Grants

**for employers, apprentices, journeypersons
and trade qualifiers in Canada**



Every effort has been made to ensure this compilation of jurisdictional and federal grants and credits is accurate as of January 2015. Due to program and website updates that may occur from time-to-time, CAF-FCA recommends that details be confirmed with granting bodies.



Federal Tax Credits & Grants

For Employers

Apprenticeship Job Creation Tax Credit (AJCTC)

The AJCTC is a non-refundable tax credit that encourages the hiring of young apprentices in certain high demand trades. An "eligible apprentice" is someone who is working in a Red Seal trade in the first two years of his or her apprenticeship contract.

The AJCTC is equal to 10 per cent of the eligible salaries and wages payable to eligible apprentices. The maximum credit an employer can claim is \$2,000 per year for each eligible apprentice.

For more information on the AJCTC, visit:

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns409-485/412/jctc-eng.html>

Canada Job Grant

The Canada Job Grant provides employers with funds to cover the cost of training provided by third-party trainers to train new or existing employees for jobs that need to be filled. Eligible trainers include community and career colleges, trade union centres, and private trainers. Training can take place in a variety of settings including in a classroom, online and in the workplace.

Any business, including not-for-profit organizations, which have a plan to train employees for a new or better job is eligible.

For more information on the Canada Job Grant, visit:

<http://actionplan.gc.ca/en/initiative/canada-job-grant>

The grant may be used to cover the following training costs:

- tuition fees or costs of a training provider;
- mandatory student fees;
- software, textbooks and other required materials; and
- examination fees.

The Government could provide two-thirds of the cost of training, up to a maximum of \$10,000 per grant. Employers will be required to contribute the remaining one-third of training costs.

Employers can apply for a Canada Job Grant directly through their province or territory at:

http://www.esdc.gc.ca/eng/jobs/training_agreements/cjg/info.shtml



For Apprentices & Tradespeople

Apprenticeship Incentive Grant (AIG)

The AIG is a taxable cash grant available to registered apprentices who have successfully finished their first or second year/level (or equivalent) of an apprenticeship program in one of the Red Seal trades.

An apprentice must be:

- a Canadian citizen, permanent resident or protected person
- not a high school student
- a registered apprentice with an employer, training trust fund, union training centre, joint apprenticeship training committee or apprenticeship authority
- in a Red Seal trade program that is designated as such in the province or territory where he or she is registered as an apprentice
- able to show through required supporting documents that he or she has successfully completed the first or second year/level (or equivalent) within an eligible apprenticeship program
- meet the application deadline of June 30 of the calendar year following the date he or she completed the year/level (or equivalent) for which he or she is applying

This taxable cash grant is for \$1,000 per year, up to a maximum of \$2,000 per person.

For more information on the AIG, including links to access required supporting documents, visit:
<http://www.servicecanada.gc.ca/eng/goc/apprenticeship/incentivegrant/program.shtml>

Apprenticeship Completion Grant (ACG)

The ACG is a taxable cash grant available to registered apprentices who have successfully completed their apprenticeship training and obtained their journeyman certification in a designated Red Seal trade on or after January 1, 2009.

To be eligible, an apprentice must be:

- a Canadian citizen, permanent resident or protected person
- not a high school student
- able to show through required supporting documents that he or she has successfully completed an apprenticeship program as a registered apprentice in a designated Red Seal trade
- meet the application deadline of June 30 of the calendar year following the date he or she completed the apprenticeship program

The cash grant is for \$2,000.

For more information on the ACG, visit:
<http://www.servicecanada.gc.ca/eng/goc/apprenticeship/completiongrant/program.shtml>



Tradesperson's Tool Deduction

Tradespersons and apprentices may be able to deduct the cost of eligible tools purchased in each taxation year to earn employment income as a tradesperson.

An eligible tool is one that:

- a tradesperson bought to use in his or her job as a tradesperson and was not used for any purpose before it was purchased
- the tradesperson's employer certified as being necessary for the tradesperson to provide as a condition of, and for use in, the individual's job as a tradesperson
- is not an electronic communication device (like a cell phone) or electronic data processing equipment (unless the device or equipment can be used only for the purpose of measuring, locating, or calculating)

Tradespersons may deduct up to a maximum of \$500 for the purchase of eligible tools.

For more information, including how to calculate the tool deduction, visit:
<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/Ins206-236/229/trds/menu-eng.html>

Tuition Tax Credit for Certification Examination Fees

Workers who incur occupational trade or professional examination fees over \$100 will be eligible for the Tuition Tax Credit if the examination is required to obtain a professional status, certification or license that is recognized by federal or provincial statute and allows the individual to practice the profession or trade within Canada.

Examination fees will qualify if they are paid to a university, college or other educational institution providing courses at a post-secondary level in Canada; an educational institution in Canada that has been certified by Employment and Social Development Canada (ESDC) for courses to develop or improve skills in an occupation, a professional association, a provincial ministry or a similar institution.

For more information on the Tuition Tax Credit, visit:
<http://www.actionplan.gc.ca/en/initiative/tuition-tax-credit-certification-examination-fees>



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Canada Apprentice Loan

Apprentices can apply for up to \$4,000 in interest-free loans per period of technical training to support them to complete their apprenticeship. Loans will support apprentices to pay for tuition, tools, equipment and living expenses, to cover lost wages and, where applicable, to support one's family.

To be eligible, an apprentice must be registered in a Red Seal Trade apprenticeship program that is designated by the province or territory where you are registered as an apprentice, pass a credit check (required if you are applying for the first time) and be enrolled in block-release technical training or the equivalent full-time technical training with an approved technical training provider.

An apprentice is eligible for up to \$4,000 per period of block training for up to five periods of technical training. Loans are interest-free for up to six years as long as the recipient is confirmed as being registered in a Red Seal Trade apprenticeship program. No payments on the loan are required as long as the loan has interest-free status.

For more information on the Canada Apprentice Loan, including links to apply online, visit:
http://www.esdc.gc.ca/en/support_apprentices/loans.page



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Provincial Supports - Nova Scotia

For Employers

Apprenticeship START Program

The START Program provides employers with a labour need, and those who are willing to support ready-to-work individuals, with financial incentives that can be used to pay for an apprentice's wages, mandatory employment-related costs, training costs or other related costs associated with hiring a new employee.

The program offers a \$2,500 incentive grant and \$5,000 annually for each year an employer has an apprentice (for qualifying employers).

For more information on the START program, including how to apply, visit:
<http://nsapprenticeship.ca/employers-industry/start-program>

For Apprentices & Tradespeople

Provincial Apprentice Progression Award

An apprentice from any designated trade which has a four- or five-level apprenticeship program can apply for a taxable award if they have successfully completed all Level 3/Group C technical training on or after January 1, 2009. An apprentice from any five-level apprenticeship program can apply for another award if they successfully complete all Level 4/Group D technical training on or after January 1, 2009.

Applications will be distributed to apprentices during their technical training.

Apprentices in both four- and five-level apprenticeship programs can apply for a taxable \$750 award.

For more information on the Provincial Apprentice Progression Award, visit:
<http://nsapprenticeship.ca/about/financial-assistance/add-fin-incentives#ProvProgressionAward>

Provincial Apprenticeship Completion Award

Apprentices in non-Red Seal apprenticeship programs that have 3, 4 or 5 levels of training are eligible to apply for a taxable Provincial Apprenticeship Completion Award once they complete all training requirements and receive a Certificate of Apprenticeship.

The Provincial Apprenticeship Completion Award is \$2,000.

For more information on the Provincial Apprenticeship Completion Award, visit:
<http://nsapprenticeship.ca/about/financial-assistance/add-fin-incentives#ProvProgressionAward>

Additional Financial Assistance

Apprentices in Nova Scotia may be eligible to receive additional benefits such as financial assistance to cover costs associated with training, child care, living away from home, travel assistance, commuting allowance and disability allowance.

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