



NOTES ON THE BRITISH COLUMBIA AND ALBERTA PROVINCIAL BUDGETS

On Tuesday, February 21, 2017, Finance Minister Michael De Jong delivered British Columbia's fifth consecutive balanced budget. On Thursday, March 16th, Alberta Finance Minister Joe Ceci delivered the 2017 Provincial Budget, which contains a number of provisions aimed at providing relief for Albertans despite a projected \$10.3 billion deficit. Both budgets highlighted a number of initiatives aimed at providing support to provincial residents in the form of improved health care funding and tax credits designed to aid small and medium businesses, employment, and economic recovery. This memo presents some of the main features of these budgets that may be of interest to employers, plan sponsors, and employees.

British Columbia

Changes to Medical Services Plan Premiums

The Government announced changes to MSP Premiums and the Premium Assistance Program set to take effect on January 1st, 2018. For more details about these changes, please see our article [2017 BC Budget's MSP Changes & Implications](#).

More information is expected to be released in the coming weeks. Please visit <http://www2.gov.bc.ca/gov/content/health/health-drug-coverage/msp> for the latest updates.

Other Budget Highlights

Other highlights include:

- \$4.2 billion dollars in increased funding for health care, including funding for youth addiction treatment, mental health counseling and treatment, and substance abuse;
- \$796 million dollars over three years for children, families and the disabled, including increased assistance rates for the disabled, funding for more child care spaces, and income support and child benefit exemptions;
- reductions to the small business corporate tax rate, from 2.5% to 2%; and
- expanded tax credits for the tech sector, scientific research and economic development and a further commitment to the province's tech strategy.

The full text of the Budget Speech and supporting documents can be found here:

<http://bcbudget.gov.bc.ca/2017/default.htm>

Alberta

The Alberta Budget focused on providing relief and financial support to residents as the province attempts to recover from a recent financial downturn. While the Budget was short on pension and benefit-specific measures, some items may be of interest to plan sponsors, employees, and employers.

Tax Benefits

The Budget does not lower income taxes for Albertans, but offers a number of tax benefits, including:

- \$71 million for 2 tax credits to encourage investors to support small and medium sized companies and encourage business capital investments;
- a proposed increase to the Alberta Child Benefit Program, making the total contribution for 2017-18 \$174 million;
- continued support for the Alberta Family Employment Tax Credit, which provides a maximum annual credit of \$773 for working families with one child increasing to \$2,038 for families with 4 or more children; and
- an additional \$257 million for adult and child health benefit programs.

Health Care

The Budget provides for an additional \$21.4 billion to provide long-term stable funding for health care, including:

- 1,000 new continuing care beds for Alberta hospitals;
- \$400 million for the planning and implementation of a new Edmonton area hospital starting in 2018-19; and
- funding for a new continuing care centre in Calgary and increasing the emphasis on homecare.

Employment and Education

The Budget provides support for Alberta's workers and students with:

- an additional \$826 million for employment and income support, including \$605 million for programs designed to help eligible Albertans cover basic costs of living and to find or maintain jobs;
- an increase of \$31 million in Community and Social Services and Health to support unemployed Albertans; and
- almost \$900 million in grants, scholarships, and student loans for post-secondary students.

The full text of the Budget Speech and supporting documents can be found here:

<https://www.alberta.ca/budget.aspx>

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