

2019 Federal Budget

The federal government announced its annual budget on March 19, 2019. Some of the highlights of the budget include:

Increased withdrawal limit for Home Buyers' Plan

The budget increased the Home Buyers' Plan withdrawal limit from \$25,000 to \$35,000. The budget also proposes to allow Home Buyers' Plan withdrawals after the breakdown of a marriage or common-law partnership under certain circumstances after 2019.

Government Benefit Changes

Canada Pension Plan (CPP)

The standard age to receive CPP benefits is 65, but some people may choose to delay the start of their pension benefits until age 70. Starting in 2020, individuals reaching age 70 who have not yet applied to receive their retirement pension will automatically be enrolled to start receiving CPP.



Guaranteed Income Supplement (GIS)

Starting with the July 2020-2021 benefit year, the budget proposes enhancements to the GIS which will benefit low income Canadians in retirement. These enhancements include:

- extending eligibility for the earnings exemption to self-employment income
- providing a full or partial exemption on up to \$15,000 of annual employment and self-employment income for each GIS or Allowance recipient as well as their spouse by:
 - increasing the amount of the full exemption from \$3,500 to \$5,000 per year for each GIS or Allowance recipient, as well as their spouse
 - introducing a partial exemption of 50%, to apply on up to \$10,000 of annual employment and self-employment income beyond the new \$5,000 threshold for each GIS or Allowance recipient as well as their spouse

If you have any questions about this budget and its proposed changes, we encourage you to speak to your financial advisor or contact Reuter Benefits by phone at 1-800-666-0142 or email retire@myretirement-alliance.com. As well, more information about this recent change is available on the government website at <https://www.budget.gc.ca/2019/home-accueil-en.html>.