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## FEDERAL GOVERNMENT UNVEILS THE DETAILS OF ITS NEW FINANCIAL INCENTIVES FOR CANADIAN APPRENTICES.

**Apprenticeship Incentive Grant designed to encourage investment in apprenticeship and the skilled trades**

**EDMONTON, ALBERTA** — Members of the Canadian Apprenticeship Forum assist HRSDC in delivering the good news to the apprenticeship community at Waiward Steel Fabricators Ltd. in Edmonton, Alberta



Left to right: Mr. Laurie Hawn (MP, Edmonton Centre); Mr. Allan Bruce (Representing CAF-FCA Board Chair); The Honourable Monte Solberg (Minister, HRSDC); Mr. Daniel Stewart (Apprentice, Trinidad Drilling Ltd.); Mr. Brian Banks (Representing employer Trinidad Drilling Ltd.); Ms. Shirley Dul (Representing CAF-FCA & CCDA); Ms. Allison Rougeau (CAF-FCA); Mr. Donald Oborowsky (Representing CAF-FCA & employer Waiward Steel Fabricators Ltd..)

In an effort to encourage investment and participation in apprenticeship training, on April 4<sup>th</sup> in Edmonton, Alberta the federal government unveiled details of the Apprenticeship Incentive Grant, one of its three new financial incentives for apprenticeship training in Canada. The three incentives: The Apprenticeship Incentive Grant, The Job Creation Tax Credit, and the Tradesperson's Tools Deduction were identified in the 2006 federal budget. Daniel Stewart, a rig technician apprentice with Trinidad Drilling Ltd, was awarded the first \$1000 grant at the event. The event, hosted by Waiward Steel Fabricators Ltd provided the opportunity to "kick-off" the grant initiative.

"Waiward has always made apprenticeship an everyday part of its business", said Mr. Donald J. Oborowsky, Co-owner, President and Chief Executive Officer of Waiward Steel Fabricators Ltd.

According to research conducted by the Canadian Apprenticeship Forum-Forum canadien sur l'apprentissage (CAF-FCA), the 'cost of apprenticeship' was identified as one of nine perceived barriers to apprenticeship

training. "For apprentices, the cost of tools, tuition fees, and the income interruption encountered during required periods of technical training all add up to a substantial financial burden" . <sup>1</sup>

"This new grant for apprentices will help ensure we have the skilled, high quality and productive work force we need to succeed" says Allison Rougeau, Executive Director of the CAF-FCA and official MC of the event.

The following three new government measures will go a long way to offset some of these 'costs':

1. [Apprenticeship Incentive Grant \(AIG\)](#)
2. [Job Creation Tax Credit](#)
3. [Tradesperson's Tools Deduction](#)

For more information about the **Canadian Apprenticeship Forum-Forum canadien sur l'apprentissage** (CAF-FCA), please visit our Web site at: [www.caf-fca.org](http://www.caf-fca.org).

### 1. Apprenticeship Incentive Grant (AIG)

The Honourable Monte Solberg, Minister of Human Resources and Social Development Canada (HRSDC) recently unveiled details surrounding a new grant aimed at skilled trades apprentices. The Apprenticeship Incentive Grant (AIG) is a taxable cash grant available to registered apprentices once they have successfully completed their first or second year (level) of an apprenticeship program in one of the Red Seal trades. It is meant to help cover some of the tuition, travel and tool costs, and encourage apprentices to complete their apprenticeship program and get their Red Seal endorsement, which will allow them to apply their skills and knowledge anywhere in Canada.

The new grant will go a long way to encourage apprentices to complete their apprenticeship training period, and encourage apprenticeship stakeholders to continue to support apprenticeship. Representatives of the CAF-FCA as well as other representatives of the Canadian apprenticeship community were on-hand to receive the good news directly from Minister Solberg, collectively demonstrate their support for the department's proactive measure, and recognize the importance of the skilled trades to the Canadian economy.

Mr. Donald Oborowsky, co-owner, President and CEO of Waiward Steel Fabricators Ltd., and past Board Chair of the Canadian Apprenticeship Forum-Forum canadien sur l'apprentissage graciously hosted the HRSDC announcement at the site of his company, Waiward Steel Fabricators Ltd. in Edmonton, Alberta. Both the co-owner and the company have a long-standing commitment to and reputation for supporting apprenticeship. Mr. Oborowsky was joined by guests Ms. Allison Rougeau, Executive Director of the CAF-FCA and emcee for the event; Ms. Shirley Dul, Assistant Deputy Minister of Apprenticeship and Industry Training with the Alberta Provincial government and CAF-FCA Board of Director Member; and Mr. Sam Shaw, President of the Northern Alberta Institute of Technology.

For more information about the **Apprenticeship Incentive Grant (AIG)**, please visit: <http://www.servicecanada.gc.ca/en/goc/apprenticeship.shtml>.

### 2. Job Creation Tax Credit

The Job Creation Tax Credit is a non-refundable tax credit offered by Canada Customs and Revenue Agency (CCRA) which applies to any business who hires an "eligible" apprentice. An "eligible apprentice" is considered a person who is working in a prescribed trade and is in the first two years of their apprenticeship contract. They must be registered with a federal, provincial or territorial government under an apprenticeship program designed to certify or licence individuals in the trade, and they must be employed after May 1, 2006. The tax credit is equal to 10% of eligible salaries and wages payable to eligible apprentices. Employers are allowed a maximum \$2,000 per year per eligible apprentice tax credit.

For more information about the **Job Creation Tax Credit**, please visit: <http://www.cra-arc.gc.ca/whatsnew/apprenticeship-e.html>

### 3. Tradesperson's Tools Deduction

The Tradesperson's Tools Deduction is an annual deduction of up to \$500 offered by CCRA to all tradespeople to help cover the cost of new tools necessary to the trade. To claim the deduction the following conditions must be met: The total cost of the tools must exceed \$1,000; tools must be bought after May 1, 2006; the purchase of

the tools must be made by an employed tradesperson; and the deduction applies to “eligible tools” that were bought solely for use in the tradesperson’s job (includes a toolbox, for example), and were not used for any purpose before they were bought. For example, electronic data processing equipment (used to measure, locate, or calculate) is an eligible deduction while an electronic communication device (cell phone) is not an eligible deduction. The deduction can be claimed on line 229 of your income tax return.

For more information about the **Tradesperson’s Tools Deduction**, please consult the 2006 version of **Guide T4044**, *Employment Expenses* and visit: <http://www.cra-arc.gc.ca/whatsnew/tools-e.html>

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<sup>1</sup> CAF-FCA. *Accessing and Completing Apprenticeship Training in Canada – Perceptions of Barriers*. 2004. Page 4.

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