



Financial Incentives for Hiring Apprentices and Co-op Students

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There are financial incentives available for hiring apprentices and co-operative education students. By reading this article, you can learn more about how your business can be financially rewarded for utilizing these types of employees.

GRADUATED APPRENTICESHIP GRANT FOR EMPLOYERS

The Government of Ontario has transformed the Apprenticeship Training Tax Credit (ATTC) into a new Graduated Apprenticeship Grant for Employers (GAGE) for apprentices registered in an eligible apprenticeship program after November 14, 2017.

Through this program, your business could receive up to \$19,200 during an apprentice's training period. Payments are made to the employer each time the apprentice successfully completes a level of training (Level 1 through Level 4), and when the apprentice receives their Certificate of Apprenticeship or Certificate of Qualification. Bonuses are received if the apprentice is from an underrepresented group, such as women, indigenous people, francophone, people with disabilities, newcomers to Canada, or visible minorities.

Employers are automatically enrolled for this grant when the apprentice has applied for registration in an eligible trade, and the local Employment Ontario apprenticeship office has confirmed the business as a qualified sponsor.

APPRENTICESHIP TRAINING TAX CREDIT

In Ontario, the apprenticeship training tax credit is a refundable credit available to employers who hire and train apprentices in certain skilled trades. The credit is available for apprenticeship programs that began on or before November 14, 2017.

For apprenticeship programs that began before April 25, 2015, businesses can receive up to 45% of the apprentice's wages, up to \$10,000 annually, as a tax credit for 4 years. For apprenticeship programs that began between April 25, 2015 and November 14, 2017, businesses can receive up to 30% of the apprentice's wages, up to \$5,000 annually, for 3 years.

Federally, an additional \$2,000 apprenticeship tax credit per year, for a maximum of 2 years may be available.

Unlike the Graduated Apprenticeship Grant for Employers, these credits are applied for as part of the employer's income tax return, so filing a timely and accurate tax credit claim is key to maximizing the tax credits available to your business.

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

The Co-operative Education Tax Credit is available to businesses that employ post-secondary students enrolled in a qualified program. These programs do not have to be for an eligible trade, and a wide variety of programs qualify. Employers can receive up to 30% of the student's wages as a tax credit, to a maximum credit of \$3,000 for each work placement.

There are over 100 eligible trades potentially qualifying for the apprenticeship tax credits, and many more for the Co-operative Education Tax Credit. For more information on grants and tax credits available to your business, please contact your Roth Mosey advisor.

ABOUT THE AUTHOR



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David joined Roth Mosey & Partners in 2012. He is currently a client service manager. David is primarily responsible for preparing compilation, review and audit engagements, as well as completing personal and corporate income tax returns.

David obtained his BComm (Honours in Business Administration) from the University of Windsor in 2008 and his CPA, CA designation in 2014.

Questions?

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