

## FTR Now

# Federal Government Tables 2010 Budget

**Date:** March 5, 2010

On March 4, 2010, the federal Minister of Finance, the Honourable Jim Flaherty, tabled the Government of Canada's 2010 Budget (the "Budget") in the House of Commons. The Budget represents the second phase of the Government's "Economic Action Plan", which was initiated in the 2009 Budget with a view to lifting the Canadian economy out of recession. This FTR Now highlights a number of items of interest to employers.

Key among the Budget's proposals are:

- **Employment Insurance (EI):** The Budget proposes to continue previously announced measures to provide extra weeks of regular EI benefits, freeze EI premiums until the end of 2010 and extend the maximum duration of work-sharing agreements.
- **Taxation of Employee Stock Options:** The Budget proposes significant changes to the tax rules applicable to stock option plans. Among these changes, new rules will alter the deductions available when stock option rights are paid out in cash instead of exercised for shares, and the taxable benefit deferral on the exercise of options to acquire public company shares will be eliminated on a prospective basis.
- **Registered Disability Savings Plans (RDSPs):** The Budget proposes changes to allow certain registered retirement accounts to be rolled over into an RDSP for a financially dependent infirm child or grandchild on a tax-free basis upon the accountholder's death.

Hicks Morley's [Pension & Benefits Practice Group](#) is reviewing the Budget and will provide a more detailed analysis of its implications for employers and human resources professionals in the coming days. In the meantime, please contact any member of the Hicks Morley [Pension & Benefits Group](#) if you have any questions. You can also click [here](#) to review the complete Budget documents.

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