

FTR Now

Ontario Tables 2021 Budget

Date: March 26, 2021

On March 24, 2021, the Ontario government tabled its 2021 Budget, [Ontario's Action Plan: Protecting People's Health and Our Economy](#) (Budget), and introduced supporting implementation legislation, Bill 269, [Protecting the People of Ontario Act \(Budget Measures\), 2021](#).

In this *FTR Now*, we highlight certain aspects of the Budget that are of broad interest to employers, human resource professionals and pension plan administrators.

Pension Benefits Guarantee Fund (PBGF)

Following the government's announcement in the 2020 Budget, [Ontario's Action Plan: Protect, Support, Recover](#), that it would conduct a review of the PBGF, the government states in the Budget that the PBGF is in a "strong financial position".

The PBGF provides protection to members of pension plans in the event of plan sponsor insolvency. However, the Budget states that the number of plans covered by the PBGF is decreasing because of the continued closure of defined benefit plans as well as conversions to the jointly sponsored pension plan model. With fewer plans covered, risk is concentrated among fewer employers.

Of interest, the government found through its review that there is a "need for data" to better estimate the PBGF's exposure to future claims and the appropriate level of funding needed from employer sponsors. To address this, pension plan administrators will be required to calculate and report their plan's PBGF liabilities. The Budget states that the Regulations under the *Ontario Pension Benefits Act* will be amended to incorporate this requirement, but did not elaborate on whether it would become a new required component of actuarial valuation reports, part of the annual PBGF filing, or be implemented via some other route.

Economic Initiatives

The government also announced that it will be making a number of economic investments that are set out below.

Ontario Small Business Support Grant

Small businesses that have already been deemed eligible for the grant will automatically receive a second round of support. The grant, which was first announced in December, provides eligible businesses with a minimum of \$10,000 to a maximum of \$20,000.

Jobs Training Tax Credit

This credit is aimed at getting workers who have lost their jobs due to the pandemic into industries that are hiring. It is a temporary measure that would provide individuals up to \$2,000 for 50 per cent of eligible training expenses in 2021.

Tourism

The government will invest an additional \$400 million over the next three years in new initiatives to support Ontario's tourism, hospitality and culture industries.

As part of this initiative, the government is introducing the Ontario Tourism and Hospitality Small Business Support Grant, which will provide eligible small businesses with one-time payments of \$10,000 to \$20,000, for a total investment of approximately \$100 million.

Regional Opportunities Investment Tax Credit

The government plans to temporarily enhance the credit by investing an additional \$61 million. The credit is aimed at encouraging business investment in regions in the province that have, in the past, lagged in employment growth.

Municipalities

The government will provide almost an additional \$1 billion in financial relief in 2021 to support public services and economic recovery across Ontario's 444 municipalities.

Support to Faith-Based and Cultural Organizations

The government will provide up to \$50 million in grants to eligible organizations struggling as a result of the pandemic.

Skilled Trades Strategy

The government is making enhancements to the Skilled Trades Strategy, including expansion of the High Skills Major program to create approximately 75 new programs that provide more opportunities for students in Grades 11 and 12 to gain job-ready skills and a new pilot bursary program for hands-on learning in the skilled trades.

Support to Families

COVID-19 Child Benefit

The government will provide a third round of payments to eligible parents such that they will receive \$400 for each child in Grade 12 and under, and \$500 for every child or youth 21 years old or younger with special needs.

Childcare Access and Relief from Expenses (CARE) Tax Credit

The government is proposing a 20 per cent top-up to the tax credit for 2021. This means that on average, parents would receive an increase in support from \$1,250 to \$1,500.

Healthcare

Long-Term Care and Retirement Homes

The government is investing an additional \$933 million over four years for the building of 30,000 new long-term care beds, as well as additional funds to improve living conditions in existing homes.

It also proposes to increase the average direct daily care to four hours a day in long-term care and will be hiring more personal support workers (PSWs), registered nurses and registered practical nurses. It has currently accelerated the training for more than 9,000 PSWs.

To attract new PSWs and nurses to work in retirement homes, the government will be providing PSWs with a financial grant of \$5,000 for a six-month commitment to work in a retirement home. Nurses will receive \$10,000 for a one-year commitment to work in a retirement home.

Hospitals

Among other things, the government will be investing an additional \$1.8 billion to hospitals, for the creation of more than 3,100 additional hospital beds, continued care for COVID-19 patients, reduction of surgical backlogs and to keep pace with patient needs.

Addressing Systemic Racism

The government will be investing \$1.6 million over two years to support the Anti-Racism and Anti-Hate Grant program. These programs support community based anti-racism initiatives focusing on anti-Black racism, anti-Indigenous racism, anti-Semitism and Islamophobia.

Workplace Safety

The government will make certain resources available to both employers and employees which focus on workplace health and safety. These include:

- providing free occupational health and safety training for health and safety representatives in up to 60,000 small businesses,
- releasing an online COVID-19 safety plan builder to assist small businesses to comply with COVID-19 safety plan requirements,
- increased funding for the Ontario Mine Rescue program,
- renewing the occupational health and safety strategy for 2021 to 2026 to improve health and safety in workplaces, and
- supporting Ontario's Safe Employers, a voluntary program to promote health and safety and reduce injuries and illness in the workplace.

Should you have any questions or require further information about the Budget, please contact [your regular Hicks Morley lawyer](#).