

For Immediate Release

## 2012 Federal Budget: No further tax relief for families

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**March 29, 2012, Ottawa** - The release of Budget 2012 brings with it some positive, some negative changes.

On the positive: the budget takes steps toward addressing the unsustainable nature of some of Canada's social programs in light of demographic decline.

Statistics Canada reports that within the next decade there will be more Canadians over the age of 65 than those under the age of 15 for the first time in our history. The budget therefore examines Old Age Security and Guaranteed Income Supplement benefits. Starting in 2023, the age of eligibility will increase from 65 to 67. "It's good to see some light shone on the fact that Canada is not having enough kids to keep social spending as is," says Andrea Mrozek, Manager of Research for the Institute of Marriage and Family Canada.

The negative in today's budget is that there are no further tax cuts for families. In this way, today's budget attempts to address our long term demographics without making life easier for those raising the next generation of Canadians today. Canadian families carry a heavy tax burden and research says finances are the number one stress for families. Substantive tax relief is necessary. The Government has indicated they will introduce family income splitting when the books are balanced, and according to this budget, that remains in 2015. That is not soon enough as far as Canadian families are concerned.

### **Other small changes of note for Canadian families include:**

- A pilot project will allow those on Employment Insurance to transition into the labour market more smoothly by decreasing the clawback
- Changes to RDSPs (Registered Disability Savings Plans) will allow savings accrued in an RESP to be rolled over, tax free, to an RDSP under certain conditions
- An extension of the temporary Hiring Credit for Small Business for one year. The promotion of small, family businesses helps both families and the economy

This budget addresses the long term security of some social programs, without presenting tax relief for families today. This will hinder the government's long term plan to make social programs more sustainable. "It's all well and good to accommodate demographic changes in the future, but if you don't make life easier for people having kids today, you are fighting a losing battle," closed Mrozek.

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