



## Apprenticeship Incentive Grant

NETCO National Training Symposium – Saturday, November 3, 2007  
Kempfenfelt Conference Centre – Barrie, Ontario

Presented by: Cynthia Waugh, Trades and Apprenticeship - HRSDC

### Presentation overview

- 1) Present a brief overview of key issues in apprenticeship today.
- 2) Outline new Apprenticeship Incentive Grant (AIG) Program.
  - Eligibility criteria
  - Application process
  - Next Steps

### Good news - Participation in apprenticeship is increasing...

- At the end of 2004 there were 220,135 registered apprentices. This represents an annual growth of about 7.2% over the previous year.
- 64% of new apprentices in 2004 were 25 years of age and above, and most started after some other form of education, employment, or a combination of both.
  - This suggests that for most young Canadians, apprenticeship training, as a post-secondary education and career option, is not their first choice.

### Most registrations are in the Red Seal trades

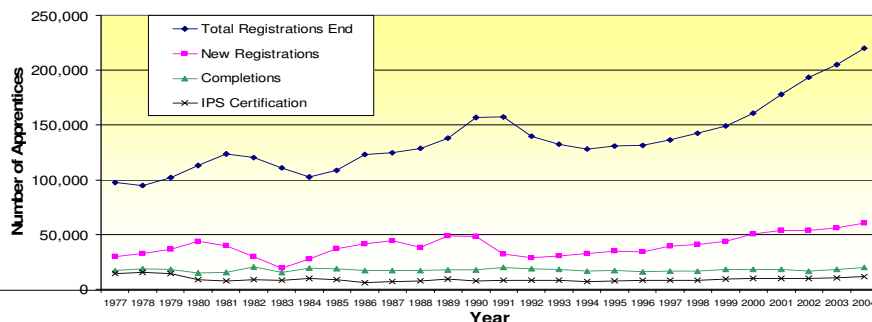
- In 2004, there were 194,415 registered apprentices in the Red Seal trades. The Red Seal trades cover approximately 88% of all registered apprentices.

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### ...but the number of those completing their training has remained flat.

- Overall completion levels for apprenticeship programs have remained flat for over three decades – only 47% completion rate from 1992-2004.

Registered Apprentices Overview - Canada



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## Budget 2006 introduced 3 new measures to encourage more apprenticeship training:

### 1. Apprenticeship Job Creation Tax Credit:

- an **employer tax** credit of 10% of an apprentice's wages for the first two years of their contract, up to a maximum credit of \$2,000 per year per apprentice in one of the Red Seal trades.
- effective May, 2006

### 2. Tradesperson Tools Deduction:

- Provides employed tradespersons with an annual deduction of up to \$500, for costs exceeding \$1,000, to help cover the cost of new tools necessary for their trade.
- effective May, 2006

Administered by Canada Revenue Agency: [www.cra.gc.ca](http://www.cra.gc.ca)  
1 800 959-5525

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## Budget 2006 introduced 3 new measures to encourage more apprenticeship training:

### 3. Apprenticeship Incentive Grant (AIG):

- a taxable cash grant of \$1,000 to eligible apprentices in each of the first two years of an apprenticeship program in the Red Seal trades.
- Effective January 1, 2007

Canada Revenue Agency (CRA) administers first two measures, and Service Canada administers the AIG.

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## The AIG aims to promote apprenticeships in Canada and encourage the completion of training.

The objectives of the program are:

- To increase **access** to apprenticeships in the Red Seal Program trades by helping apprentices to cover expenses;
- To encourage the apprentice's **progression** through the technical and on-the-job training requirements in the early years of their apprenticeship program, thus building the momentum towards certification; and ultimately
- To promote interprovincial **mobility** by increasing the number of apprentices remaining in the Red Seal trades and getting their Red Seal.

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## What is the Apprenticeship Incentive Grant (AIG) ?

- A taxable cash grant of \$1,000
- Designed to reward **progression** from Level/Year 1 to 2 and Level/Year 2 to 3 of both technical and on-the-job training.
- Available to eligible registered apprentices in each of the first two years of an apprenticeship program in the Red Seal trades.
- Program started January 1, 2007 - ongoing

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## AIG Program Design

- AIG is delivered by Service Canada
- Provincial/territorial governments contributed significantly to the design of AIG and its objectives
- Needed to adapt to different ways that apprenticeship is delivered across Canada
  - Variations in what documents are used as proof of progression (e.g. transcripts of technical training, letters from apprenticeship authorities)

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## AIG Eligibility

Applicants must ...

- ✓ be a Canadian citizen, permanent resident or protected person
- ✓ be out of high-school
- ✓ be a registered apprentice in a trade that is designated Red Seal in the province or territory where apprentice is registered
- ✓ demonstrate successful completion of both technical and on-the-job training for the first or second year/level within the apprenticeship program – rewarding early years

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## How Apprentices can Apply:

- Complete an application form  
available via Service Canada offices, on-line  
[www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) or phone
- Submit with proof of registration and proof of technical and on-the-job training
- Send to nearest Service Canada processing centre
- Completed applications from eligible applicants generally receive cheque within 28 days

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## AIG Communication Activities

- January - the application process launched
- April 4 - Minister Solberg presented the first cheque to an apprentice, officially launching the AIG, at Waiward Steel Fabricators Ltd. in Edmonton
- Spring/Summer – publicity events involving federal MPs held in Ontario, NB, Manitoba
- October – Advertising campaign started this Fall
  - Web, radio and newspaper ads

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## Next Steps

Focusing on:

- increasing the awareness and number of applications received;
- streamlining application process where possible

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## For more information about the AIG:

- Apprentices can access more information about how to apply for the grant and conditions of eligibility at: [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca)
- For general enquiries, apprentices can also call Service Canada at:
  - 1-866-742-3644
  - TTY: 1-866-909-9757

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## For more information about the tax credit and tool deduction:

- Both measures are being administered by the Canada Revenue Agency.
- For more information about the **Apprenticeship Job Creation Tax Credit**, refer to:  
<http://www.cra-arc.gc.ca/whatsnew/apprenticeship-e.html>
- More information about the **Tools Deduction for Tradespeople** can be found at:  
<http://www.cra-arc.gc.ca/whatsnew/tools-e.html>