

2023 Federal Budget Highlights

Overview

A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future, the federal government's 2023 budget makes significant investments in health care and dental care, as well as a GST/HST Tax Credit top-up for 11 million Canadians struggling with the increased cost of groceries.

Budget 2023 also announced the federal government's intention to pilot automatic tax filing for vulnerable Canadians and crack down on predatory lenders.

Automatic tax filing

- Budget 2023 announces the government's intention to **pilot automatic tax filing for vulnerable Canadians**. Following consultations with stakeholders and community organizations, the CRA will develop a plan to expand this service in 2024.
- The government will also **triple the number of Canadians eligible for File My Return**, a service that allows people to auto-file their returns over the phone, to two million by 2025.

Cracking down on predatory lending

- The federal government intends to **lower the criminal rate of interest from 47 per cent APR (annual percentage rate) to 35 per cent APR**, as well as to launch consultations on the possibility of further reductions.
- The federal government also intends to **forbid payday lenders from charging more than \$14 per \$100 borrowed**.
- The government will **launch consultations on further revisions to the Criminal Code's provincial/territorial-requested payday lending exemption**.

Poverty reduction

- \$2.5 billion to provide a **top-up to the GST/HST Tax Credit, called the Grocery Rebate, for 11 million low- and moderate-income Canadians**. This will provide single Canadians without children with up to \$234, seniors with up to \$225, and couples with two children with up to \$467.

- \$813.6 million to **enhance student financial assistance for the 2023-24 school year**, including increasing Canada Student Grants by 40 per cent (up to \$4,200) and raising the interest-free Canada Student Loan Limit from \$210 to \$300 per week of study.
- The government intends to **increase limits on certain RESP withdrawals** from \$5,000 to \$8,000 for full-time students and from \$2,500 to \$4,000 for part-time students, and to allow separated parents to open a joint RESP for their children, making it more affordable to save for their children's education.

Support for people with disabilities

- \$10 million over 2 years to invest in **capacity building and the community-level work of organizations serving people with disabilities**.
- \$21.5 million to work on the **future delivery of the Canada Disability Benefit**, including engagement on the regulatory process with the disability community and provinces and territories.
- \$13 million over 5 years and \$3 million ongoing to **increase access to Registered Disability Savings Plans (RDSP)** by allowing adult siblings of beneficiaries to open RDSPs and be the plan holder for adults with cognitive disabilities.

Dental care

- \$13 billion over 5 years and \$4.4 billion ongoing to **implement the Canadian Dental Care Plan** to provide dental coverage for uninsured Canadians with a family income of less than \$90,000. The plan would begin to provide coverage by the end of 2023.
- \$250 million over 3 years, starting in 2025-26 and \$75 million ongoing to **establish an Oral Health Access Fund** to reduce barriers to accessing dental care.
- \$23.1 million over 2 years for Statistics Canada to collect **data on oral health and access to dental care in Canada**.

Housing

- The Financial Consumer Agency of Canada is **publishing a guideline to protect Canadians with mortgages who are facing exceptional circumstances**, specifically to ensure Canadians have fair and equitable access to relief measures.
- The government intends to **reallocate funding from the National Housing Co-Investment Fund's repair stream to build new affordable housing**.

- \$4 billion over 7 years, starting in 2024-25, to **implement a co-developed Urban, Rural, and Northern Indigenous Housing Strategy**.

Cracking down on junk fees

- The government intends to work with regulatory agencies and provinces and territories to **reduce junk fees**, such as excessive charges for telecom roaming, concerts and events, baggage fees, and shipping and freight fees.

External complaints handling for banks

- The government intends to **strengthen the external complaints handling system for banks** and to designate a single, non-profit external complaints body.

Improving government services

- \$17.7 million over 4 years to **expand capacity at 1 800 O-Canada call centres and improve Canada.ca** to ensure Canadians have better access to information about government benefits and services.

Recovering overpayments of COVID-19 benefits

- \$53.8 million in 2022-23 to Employment and Social Development Canada to **support repayment of overpayments of COVID19 emergency income supports**. Those struggling with the repayment process can work with the CRA to develop a flexible repayment plan that works with their individual life circumstance.