

A TWOFOLD ADVANTAGE

Businesses benefit from a **more skilled labour force** when they play a more active role in the training of future employees.

Now they can also take advantage of financial assistance in the form of a **refundable tax credit** by offering practical training (practicums) to students enrolled in sociovocational integration services, vocational training or technical training programs or university programs.

What is the purpose of this measure?

The purpose of the tax credit for training in the workplace is to:

- > ensure that vocational, technical and university training is better adapted to the growing demands of the job market
- > increase students' professional qualifications
- > encourage businesses to accept more trainees and facilitate the organization of practicums in the workplace
- > support the efforts of businesses that contribute to the development of students' competencies
- > strengthen the ties between businesses and educational institutions

A TWOFOLD ADVANTAGE TAX CREDITS FOR PRACTICUMS IN THE WORKPLACE

This document has been published for information purposes only. It does not constitute an exhaustive list of the fiscal provisions governing the refundable tax credit for training in the workplace, nor is it a legal interpretation of the legislative provisions.

The Act to foster the development of manpower training (R.S.Q., c. D-7.1)

Whether or not a business is subject to the "law of 1%," that is, the *Act to foster the development of manpower training* (R.S.Q., c. D-7.1), it can take advantage of the tax credit for practicums in the workplace. The business may either claim the tax credit and declare the balance of the salary expenses related to the practicums or declare all salary expenses related to the practicums.

For information regarding the Act, businesses should contact the Emploi-Québec office in their area.

Interested in offering on-the-job training?

Contact the administrators in the public and private secondary schools and colleges or universities in your area who are responsible for this program, and indicate your needs and availability.

Where can you obtain information?

For more information, contact the administrator in an educational institution in your area who is responsible for this program.



You can also find out more on the following Web site:

<http://www.inforoutefpt.org/creditimpot>

Éducation,
Loisir et Sport
Québec



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A TWOFOLD ADVANTAGE

TAX CREDITS FOR PRACTICUMS IN THE WORKPLACE



For businesses receiving student trainees enrolled in eligible programs of study offered by educational institutions

Québec



Who can benefit from the measure?

All companies, partnerships, cooperatives and eligible individuals operating a business in Québec can take advantage of this fiscal measure.



What are the advantages for your business of hosting student trainees?

Hosting student trainees allows the business to:

- > participate in the renewal of competencies in its sector of activity
- > prepare new workers for its operation, evaluate its future employees and reduce the time required to train them upon being hired
- > lower the costs involved in recruiting new employees
- > assign staff members to more specialized tasks
- > place value on the sharing of professional expertise through the supervision of trainees
- > reinforce a training culture within the business
- > strengthen its collaborative ties with the educational institution and express its expectations and needs with respect to the education community

Who is responsible for applying the measure?

Recognized educational institutions are responsible for applying the measure jointly with the Ministère du Revenu du Québec.

The administrative procedures have been determined with a view to simplifying matters for businesses. As a result, it is up to the **educational institution** to:

- > ensure that the program of study and the practicum will qualify the host business for the tax credit
- > draw up a written agreement with the business regarding the content of the practicum
- > provide the business concerned with a certificate of participation in a qualified training period
- > formally evaluate each practicum

What conditions must be met for the practical training (practicum) to be eligible for the tax credit?

- > The practicum must be carried out in Québec.
- > The student must be enrolled full-time in one of the following programs:
 - sociovocational integration services (SVIS) in the adult sector
 - individualized path for learning in life skills and work skills education (LSWSE) in the youth sector
 - training for a semi skilled occupation
 - secondary-level vocational training
 - college-level technical training
 - university program
- > Practicums must be integrated into the learning process and followed by a formal evaluation overseen by the educational institution, according to the requirements of each training program.
- > The program must require one or more practicums for a total of at least 140 hours during the course of the program.

In addition, for trainees at the college and university levels:

- > the duration of each practicum eligible for the tax credit must not exceed 32 consecutive weeks
- > they must be paid at a rate equal to or greater than the minimum wage in effect for the business to be eligible for the tax credit

Financial Assistance

Financial assistance, granted to companies, cooperatives or individuals, is offered in the form of a refundable tax credit, the amount of which may be applied against their tax installments or capital tax, as the case may be.

Eligible expenses:

- > **The basic hourly wage paid to the trainee, up to \$18 per hour.** The basic hourly wage does not include performance or other bonuses, fringe benefits, etc.
 - > **The basic hourly wage paid to the supervisor, up to \$30 per hour.**
- A company may claim a **maximum of 20 hours of supervision** per week per practicum for the following programs:
 - sociovocational integration services (SVIS) in the adult sector
 - individualized path for learning in life skills and work skills education (LSWSE) in the youth sector
 - training for a semi skilled occupation
 - A company may claim a **maximum of 10 hours of supervision** per week per practicum for the following programs:
 - vocational training
 - technical training
 - university

MAXIMUM ELIGIBLE EXPENSES	TAX CREDIT	MAXIMUM ASSISTANCE
\$750 per week, per practicum	Companies: 30%	\$225 per week, per trainee
	Individuals: 15%	\$112.50 per week, per trainee

MAXIMUM ELIGIBLE EXPENSES	TAX CREDIT	MAXIMUM ASSISTANCE
\$600 per week, per practicum	Companies: 30%	\$180 per week, per trainee
	Individuals: 15%	\$90 per week, per trainee

The amount of financial assistance granted a company may be reduced if the company is already receiving subsidies from other sources.

How can you claim the tax credit?

To claim the tax credit for a practicum in the workplace, simply include the following with your company tax return: the certificate of participation in a qualified training period issued by the educational institution and the *Tax Credit for an On-the-Job Training Period* form. This form may be found on the Internet at <www.inforoutefpt.org/creditimpot>. It can also be obtained by calling the Ministère du Revenu at the following numbers:

For form CO-1029.8.33.6, designed for companies:

418-659-4155 (Québec City)
514-864-4155 (Montréal)
1-800-267-4155 (other areas)

For form TP-1029.8.33.6, designed for individuals:

418-659-6299 (Québec City)
514-864-6299 (Montréal)
1-800-267-6299 (other areas)

The amount of the claim is based on the information provided in the certificate of participation in a qualified training period issued to the company by the educational institution at the end of the training period.

The Ministère du Revenu du Québec is responsible for determining whether a practicum or a company is eligible under the measure.