

Backgrounder

New Ideas to Keep Young People in Saskatchewan

“Out-migration strips many of the best-educated and highly trained young people from Saskatchewan, leading to a potential shortage in the workforce.” - Saskatoon Star-Phoenix, July 1, 2006

The Saskatchewan Party's New Ideas to Secure the Future

Retaining young people is critical to the long-term growth and prosperity of our province.

Under Lorne Calvert and the NDP, young people have continued to leave Saskatchewan to build their careers and start families. Since 2001, Saskatchewan has lost over 35,000 people to other provinces– most of those young people – and a survey conducted by Canada West Foundation indicated that a quarter of young people under the age of 35 anticipate leaving Saskatchewan within the next five years.

Saskatchewan needs a new government with new ideas to secure the future by keeping more young people in Saskatchewan and providing more opportunities to go to school, start a business or become self-employed in Saskatchewan.

The Saskatchewan Party's New Ideas to Keep Young People in Saskatchewan

A Saskatchewan Party government will take action to keep young people in Saskatchewan by:

- Rebating the cost of post-secondary tuition for graduates who remain in the province for seven years;
- Providing a five-year \$10,000 annual personal income tax exemption to young entrepreneurs and self-employed young people under the age of 30;
- Creating a Saskatchewan Scholarship Fund to ensure more young people stay in Saskatchewan to pursue their post-secondary education.

Cost:

Total cost of the Saskatchewan Party youth retention plan is \$126.5-million over four years.

Saskatchewan Party's New Ideas	2008-09	2009-10	2010-11	2011-12
Tuition Rebates for Post-Secondary Graduates	8.5M	16M	27M	39M
\$10,000 Youth Self-Employment Tax Exemption	6M	6M	6M	6M
Saskatchewan Scholarship Fund	3	3	3	3
Total	17.5M	25M	36M	48M

The Saskatchewan Party Plan

Rebating the Tuition of Graduates who Stay in Saskatchewan for Seven Years

Saskatchewan graduates approximately 11,000 post-secondary students per year. Under the Saskatchewan Party Graduate Retention Program, the provincial government will rebate the tuition of certificate, diploma, three and four year undergraduate post-secondary graduates who graduated from a Saskatchewan post-secondary institution from 2006 onward.

Amount of Tuition Rebate

The maximum tuition rebate per program is dependent on the course of studies from which the student graduated:

- Graduates of certificate programs will be eligible for tuition rebates up to \$3,000;
- Graduates of two-year diploma programs will be eligible for rebates up to \$6,400;
- Graduates of three-year undergraduate university programs will be eligible for rebates up to \$15,000.
- Graduates of four-year undergraduate university programs will be eligible for tuition rebates up to \$20,000.

To qualify for the maximum tuition rebate, graduates must remain in the province for seven years after graduation. Post secondary graduates who opt to continue their post-secondary education upon graduation in another certificate, diploma or undergraduate program will be eligible for a second tuition rebate. The total amount of tuition rebates any graduate can receive over the course of their lifetime is \$20,000.

Comparison Between the NDP Graduate Tax Exemption and Saskatchewan Party Graduate Retention Program

Under the NDP Graduate Tax Exemption, post-secondary graduates are eligible for a once in a lifetime \$10,000 income tax exemption for five years after graduation – a maximum \$5,500 over five years.

Benefits under the Saskatchewan Party Graduate Retention Program are tied to the amount of tuition a graduate has paid. Therefore the more a student has paid in tuition, the higher their tuition rebate will be under the Saskatchewan Party plan.

Example A: Four Year University Graduate

Under the NDP:

- \$5,500 if the graduate remains in Saskatchewan for five years.

Under the Saskatchewan Party plan:

- \$20,000 if the graduate remains in Saskatchewan for seven years.

A university graduate will be \$14,500 better off under the Saskatchewan Party Graduate Retention Program

Example B: Diploma or Two Year Program Graduate

Under the NDP:

- \$5,500 if the graduate remains in Saskatchewan for five years.

Under the Saskatchewan Party plan:

- \$6,400 if the graduate remains in Saskatchewan for seven years.

A graduate from a diploma or two year program will be \$900 better off under the Saskatchewan Party Graduate Retention Program

Example C: Graduate with Two Certificates

Under the NDP:

- \$5,500 if the student remains in Saskatchewan for five years.

Under the Saskatchewan Party plan:

-\$3,000 for the first certificate program if the student remains in Saskatchewan for seven years.

-\$3,000 for the second certificate program if the graduate remains in Saskatchewan for seven years after graduation from the second program.

A graduate from two certificates will be \$500 better off under the Saskatchewan Party Graduate Retention Program

Rebate Schedule

Payments will begin the year after graduation and will be paid on the following schedule:

Year 1: 10% of maximum eligible tuition rebate

Year 2: 10% of maximum eligible tuition rebate

Year 3: 10% of maximum eligible tuition rebate

Year 4: 10% of maximum eligible tuition rebate

Year 5: 20% of maximum eligible tuition rebate

Year 6: 20% of maximum eligible tuition rebate

Year 7: 20% of maximum eligible tuition rebate

Eligibility Requirements

- Graduation from an accredited program from a Saskatchewan post secondary institution.
- Residence in Saskatchewan.

Benefits by Program and Year of Graduation

- Certificate Graduates:
 - Students who graduated from a certificate program from 2006 onward will be eligible for a full tuition rebate of up to \$3,000.
- Two Year Diploma Graduates:
 - Students who graduated from a two-year diploma program in 2006 or 2007 will be eligible for a rebate on half, or one-year, of their tuition costs up to \$3,200.

- Diploma graduates from 2008 onward will be eligible for a full rebate of up to \$6,400.
- Three Year University Graduates:
 - University students who graduated in 2006 or 2007 will be eligible for a rebate on one year of their tuition costs, up to \$5,000.
 - University students graduating in 2008 will be eligible for a rebate on two years of their tuition costs, up to \$10,000.
 - University students graduating from 2009 onward will be eligible for a rebate on three years of their tuition costs, up to \$15,000.
- Four Year University Graduates:
 - University students who graduated in 2006 or 2007 will be eligible for a rebate on one year of their tuition costs, up to \$5,000.
 - University students graduating in 2008 will be eligible for a rebate on two years of their tuition costs, up to \$10,000.
 - University students graduating in 2009 will be eligible for a rebate on three years of their tuition costs, up to \$15,000.
 - University students graduating from 2010 onward will be eligible for a rebate on four years of their tuition costs, up to \$20,000.

Graduate Retention Program Transition for 2006 and 2007 Graduates

2006 and 2007 graduates who are eligible to receive the Graduate Tax Exemption this year will continue to receive a benefit for 2007, in addition to being eligible for the Saskatchewan Party Graduate Retention Program. Beginning in 2008, the Saskatchewan Party Graduate Retention Program will replace the Graduate Tax Exemption.

Implementation:

The Saskatchewan Party Graduate Retention Program will be administered through the tax system, and rebates will be provided to graduates as a refundable tax credit. Graduates will be required to submit income tax receipts from post-secondary institutions as proof of tuition paid.

Students will continue to be eligible to receive current provincial tax credits related to post-secondary tuition and education from 2008 onward, with the exception of the Graduate Tax Exemption.

Five Year \$10,000 Tax Exemption on Self-Employment Income for Youth Under 30

A Saskatchewan Party government will provide a five-year \$10,000 annual tax exemption on personal income earned from self-employment to assist youth under 30 to start a business in Saskatchewan.

The tax exemption will apply only to personal income earned through self-employment. Saskatchewan residents can claim the exemption for a maximum of five years if they are under 30 years of age.

Cost:

The cost of this tax expenditure is estimated at \$6-million per year / \$24 - million over four years.

Saskatchewan Scholarship Fund

“To be competitive with other institutions, our universities must increase the number and value of scholarships, bursaries, and other financial awards available to prospective and continuing students.”- Submission to the Post-Secondary Education Accessibility and Affordability Review, University of Saskatchewan

As part of the Saskatchewan Party’s commitment to keeping post-secondary education affordable for young people and keep our best students here in Saskatchewan, a Saskatchewan Party government will provide post-secondary institutions with up to \$3-million per year for the creation of a Saskatchewan Scholarship Fund. Post-Secondary institutions will be invited to provide matching funding to create Saskatchewan scholarships for post-secondary students.

If fully matched by post-secondary institutions, the Saskatchewan Scholarship Fund could provide annual scholarships of \$5,000 for 1,200 Saskatchewan students.

Promoting Entrepreneurship, Career Education and Business Literacy in Schools

Through the Department of Education, a Saskatchewan Party government will encourage local school boards to work with members of the business community and entrepreneurial organizations such as Junior Achievement, to enhance business literacy education and entrepreneurial opportunities in Saskatchewan schools.

In addition, a Saskatchewan Party government will work with local school boards, the business community and community based organizations such as junior achievement, to enhance business literacy education and entrepreneurial opportunities in Saskatchewan schools.