



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 130

Asked by: Olive Crane

Answered by: Wes Sheridan

Date: October 22, 2014

QUESTION: Minister, island seniors on fixed incomes do not have to pay federal tax on income less than \$10,000, yet the same individual has to pay provincial tax on earnings over \$7,500 (approximate). Do you think this is fair Tax Policy?

Minister, what exactly are you providing to the senior to ensure that they are treated fairly?

ANSWER:

A single PEI senior could receive OAS, GIS, CPP and other earnings totalling \$19,400 without being liable for any provincial income tax. There is:

- the basic personal exemption of \$7,708,
- plus, the age amount personal tax credit of \$3,764,
- along with the Low Income Tax Reduction of up to \$250.
- Island seniors receiving OAS would be eligible for the “non-taxable” Guaranteed Income Supplement.
- In addition, seniors may also claim a credit of up to \$1,000 on eligible pension, superannuation and annuity payments.

These measures provide tax fairness to Island seniors.

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Type amounts into yellow cells. Tab or use your mouse to click on the next cell.

Amounts are recalculated automatically when you tab out of a cell or click elsewhere with your mouse, or click the Calculate button.

Choose your province: PE Choose tax year: 2014

To open links without closing the calculator, right-click on the link and select open in new window.

		Taxpayer		Spouse		Combined Taxes Payable			
		Taxpayer		Spouse		Taxpayer		Spouse	
Birth year	1940					0		0	
Birth month (needed for CPP premiums if turning 18 or 70 during year)	1			1		0		0	
Are you eligible to claim the disability amount tax credit?	N			N		0		0	
Are you single? (must be "N" to calculate spouse tax)	Y					0		0	
Are you eligible to claim the working income tax benefit (WITB)?	N			Y		0		0	
						0		<- Grand Total	

Information re dependent children and eligible dependent tax credit

# children age 16 or less at Dec 31 of tax year -born 1998 & later	0						
# children age 17 at Dec 31 of tax year -born 1997	0						
Total # children age 17 or less at Dec 31	0						
# children age 18 at Dec 31	0						
Total # children age 18 or less at Dec 31	0						
If not single, claim Federal child amount tax credit on the return of Taxpayer							
If eligible, claim the equivalent to spouse (eligible dependent) tax credit for ONE of the following dependents:							
Child age 18 or less at the end of year	N						
Age of this child at the end of year (zero if under 1)	0						
OR other eligible relative	N						
Net income of dependent claimed as equivalent to spouse	0						

Income from:	Federal Line#	INCOME		Taxable Income		
		Taxpayer	Spouse	Taxpayer	Spouse	
Employment (T4 box 14)	Line 101	0	0	0	0	
Are you required to pay EI premiums on ALL the above earnings (up to annual max)?						
If you answered "N" above, please enter the insurable amount of your earnings, if any, below:						
EI insurable earnings		0	0	0	0	
Are you required to pay CPP contributions on ALL the above earnings (up to annual max)?						
If you answered "N" above, please enter the pensionable amount of your earnings, if any, below:						
CPP pensionable earnings		0	0	0	0	
Universal child care benefit (UCCB) (RC62 box 10):	Line 117	0	0	0	0	
- will be claimed by spouse with lower "net income before adjustments"						
Employment insurance regular benefits (EI) (T4E box 15, if rate in box 7 is 30%)		0	0	0	0	
Old Age Security (OAS) (T4A(OAS) box 18)	Line 113	6,765	0	6,765	0	
CPP/QPP retirement or disability pension (T4A(P) box 20)	Line 114	7,260	0	7,260	0	
# months in year collecting CPP pension		0	0	0	0	
If you are 65 to 70 and collecting CPP, please indicate the # of months, if any, for which you are electing to NOT make CPP contributions in the year						
Self-employment income (include bus. income/loss from rentals)	Line 135-143	0	0	0	0	
CPP pensionable self-employment earnings		0	0	0	0	
Capital gains in excess of capital losses (zero if negative) - actual, not taxable		0	0	0	0	
Cdn dividends eligible for enhanced div tax credit (T5 box 24)	Line 120	0	0	0	0	
NL residents: enter TOTAL 2014 eligible & non-eligible dividends here, and post-June 30th 2014 dividends below at bottom of income fields.						
Cdn non-eligible dividends (T5 box 10)	Line 180, also in Line 120	0	0	0	0	
RRSP/RRIF withdrawals (when not eligible for pension tax credit)		0	0	0	0	
Other income (EI special benefits, interest, foreign dividends, some pensions, etc)		0	0	0	0	
Pension income (eligible for pension tax credit for persons 65+)		980	0	980	0	
Qualified pension income (eligible for pension credit for any age)		0	0	0	0	
Qualified pension income (eligible for pension tax credit even if taxpayer is under 65) includes - life annuity payments from a superannuation or pension plan - pmts from a RRIF, or annuity pmts from an RRSP or from a DPSP, received as a result of the death of a spouse or common-law partner.						
Workers' compensation benefits (box 10 on the T5007 slip)	Line 144	0	0	0	0	
Social assistance payments	Line 145	0	0	0	0	
Net federal supplements (box 21 on the T4A (OAS) slip)	Line 146	0	0	0	0	
Workers' compensation, social assistance and net federal supplements are included above, and deducted below to arrive at taxable income.						
NS Seniors with GIS income on line 146 and provincial taxes payable on line 428 may get a refund of tax.						
				Subtotal	\$15,005	\$0
Newfoundland & Labrador only - re Cdn eligible dividends received in 2014 and included in above total:						
Amount of Cdn eligible dividends received Jul 1 to Dec 31, 2014		0	0	0	0	
Newfoundland & Labrador only - re Cdn non-eligible dividends received in 2014 and included in above total:						
Amount of Cdn non-eligible dividends received Jul 1 to Dec 31, 2014		0	0	0	0	

Pension splitting - maximum allowable is 50% of eligible pension income. Make sure birth year entered for both Taxpayer and Spouse. Make sure marital status above is correct, and enter number of months married.

Number of months married or living common-law	12	To split income, change from single to not single at top of calculator			
A. Total pension income eligible for pension tax credit (based on age)	980	0	0	0	0
Maximum pension amount transferable (50% x A/12 x #months married)	0	0	0	0	0
Amount that you are electing to transfer - from taxpayer to spouse	0	0	0	0	0
Amount that you are electing to transfer - from spouse to taxpayer	0	0	0	0	0
Transfer of pension income Line 116					
\$ from taxpayer to spouse	0	0	0	0	0
\$ from spouse to taxpayer	0	0	0	0	0

Any resulting additions to pension income are shown here, and reductions to income are in deductions area on Line 210.

After pension splitting - pension income eligible for pension tax credit 980 0

Total tax deducted from pension income (A above) of taxpayer 0
 Total tax deducted from pension income (A above) of spouse 0
 The tax deducted from pension income should also be included in the "Total income tax deducted" (at bottom).

Total income for tax purposes - line 150				\$15,005	\$0
DEDUCTIONS					
				Taxpayer	Spouse
RRSP deduction	Line 208	0	0	0	0
Other deductions (RPP, union dues, child care, interest expense, etc.)		0	0	0	0
Child care costs - not checked to see if exceeding limits	Line 214	0	0	0	0
Deduction for elected split-pension amount	Line 210			0	0
Deduction for 50% of CPP on self-employment income	Line 222			0	0
Net income before adjustments (for calculation of clawbacks, zero if negative) - Line 234				15,005	0
Clawback of EI and OAS	Line 235			0	0
Net income for tax purposes - Line 236				15,005	0
Workers' compensation, social assistance, net federal supplements		0	0	0	0
Net capital losses of other years (after Oct 17, 2000)	Line 253	0	0	0	0
Non-capital losses of other years	Line 252	0	0	0	0
Taxable income (zero if negative) - Line 260				\$15,005	\$0
Less dividend gross-up				0	0
Add back non-taxable portion of capital gains less capital losses carried forward				0	0
Add back clawbacks (the clawbacks are treated as another tax for the average tax rate calculation)				0	0
Adjusted taxable income (zero if negative) for average tax rate calculation at bottom				\$15,005	\$0

TAX CREDITS (NON-REFUNDABLE UNLESS NOTED OTHERWISE)

	Taxpayer	Spouse	
Public transit costs	0	0	
Fed/BC/YT child fitness-max \$500 ea. age 16 or less, 18 or less for disabled	0	0	Max credit is greater for disabled.
ON refundable child activity-max \$535 in 2013, \$540 in 2014, more for disabled	0	0	
MB fitness tax credit - max \$500 for up to age 24	0	0	
Fed/BC/MB child arts - max \$500 each age 16 or less, 18 or less for disabled	0	0	
NS Sport/recreation amounts - max \$500 for each child age 17 or less	0	0	
SK refundable active families benefit-max \$150 ea. ages 6 to 17	0	0	
Federal first-time home buyers' tax credit (max \$5,000 per qualifying home)	0	0	
SK first-time home buyers' tax credit (max \$10,000 per qualifying home)	0	0	
BC Seniors home renovation tax credit-refundable (max \$10,000 per home)	0	0	
ON healthy homes renovation tax credit-refundable (max \$10,000 per home)	0	0	
Medical expenses-usually best claimed by lower income spouse	0	0	
Charitable donations-usually best claimed by higher income spouse	0	0	
First Time Donor Super-Credit is available only for donations of money, and only if this is the first donation after 2007.			
Is this the first donation after 2007 for both taxpayer and spouse?			N

* These are not checked to ensure that the maximum allowable amount is not exceeded.
 Fitness and activity credits can be split between spouses, are available to greater age for child with disability (except MB, NS and SK), and double the amount is available for child with disability (except NS and SK).
 Medical and donations can be claimed by either spouse-see which one works best.
 Donations can be carried forward and used in a future year, or split with spouse.
 Medical expenses can be claimed for any 12 month period ending in the tax year.
 Homebuyers' tax credit can be shared by spouses - see what works best.

Students		Taxpayer	Spouse
Student loan interest (can be carried forward up to 5 years) Sch 1 Line 319		0	0
Unused tuition/education/text amounts from prior year: Federal		0	0
Provincial		0	0
Resident of different province at the previous year end - use the federal unused tuition/education/textbook amount as the provincial amount, unless moved to ON or PE. If moved to ON from QC use federal amount, otherwise use provincial amount. If moved to PE from QC use federal amount, otherwise use lower of federal or provincial amounts.			
Disabled students - claim full time months for part time months enrolled.			
Eligible tuition fees		0	0
Federal education/textbook amounts	Part time - # of months	0	0
	Full time - # of months	0	0
Provincial education amount	Part time	0	0
	Full time	0	0
Unused tuition/education/textbook amounts before transfers to spouse	Federal	0	0
	Provincial	0	0
Maximum allowable transfer from spouse	Federal	0	0
	Provincial	0	0
Unused amounts to transfer from spouse	Federal	0	0
	Provincial	0	0
These transfers show as part of "Amounts transferred from spouse".			

TAXES AND PREMIUMS	Taxpayer		Spouse	
	Federal	PE	Federal	PE
Federal and PE tax before non-refundable tax credits (A)	2,251	1,470	0	0
Basic personal amount	11,138	7,708	0	0
Spouse/equivalent	0	0	0	0
Age amount (reduced above certain income levels)	6,916	3,764	0	0
Senior supplementary (SK)		n/a in PE		0
Dependent children under 18 (Fed, YT), SK under 19	0	n/a in PE	0	0
Amount for children under 6 (NS, NU, PE) = UCCB		0		0
Family tax benefit (MB)		n/a in PE		0
Employment credit amount (Fed/YT)	0	n/a in PE	0	0
Pension amount	980	980	0	0
Disability amount	0	0	0	0
Child care costs (NL only)		n/a in PE		0
Public transit amount (Federal only and YT only)	0	n/a in PE	0	0
Child fitness amount (Federal, BC, MB, YT), and NS sport/recreation amount	0	0	0	0
Children's arts amount (Federal, BC, MB, YT)	0	0	0	0

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Fed/SK first-time homebuyers' amount	0	0	0	0
Employment insurance	0	0	0	0
CPP on empl earnings	0	0	0	0
1/2 CPP on self-empl earnings	0	0	0	0
Tuition, education and textbook amounts	0	0	0	0
Amounts transferred from spouse	0	0	0	0
Student loan interest (see bottom for amount unused)	0	0	0	0
Medical expenses	0	0	0	0
Total amount for non-refundable tax credits (B)	19,034	12,452	0	0
Non-refundable tax credits @ (B) x 15.00%	-2,855	9.80%	-1,220	0
Donations tax credit	0	0	0	0
Tax subtotal before dividend tax credits, zero if negative	0	250	0	0
Ontario provincial surtax 2014 only	0	0	0	0
Enhanced dividend tax credit	0	0	0	0
Small business dividend tax credit	0	0	0	0
Subtotal federal and PE tax (zero if negative) (A) - (C)	0	250	0	0
Additional tax for alternative minimum tax (AMT)	0	0	0	0
Provincial surtax except Ontario 2014	0	0	0	0
Low income tax reduction	0	-250	0	0
ON refundable children's activity credit / SK active families benefit	0	0	0	0
BC seniors home reno tax credit / ON healthy homes tax credit - refundable	0	0	0	0
Federal refundable medical expense supplement	0	0	0	0
Federal refundable working income tax benefit	0	0	0	0
Ontario health premium		n/a in PE		0
Provincial refundable tax credit not available in PE		0		0
Other refundable tax credits available in BC, MB, ON, NU, YT - choose below, and enter the amount of the credit as a NEGATIVE amount (not checked)				
Choose refundable tax credit, if applicable:				
Income tax payable (refundable if negative)	0	0	0	0
Subtotal federal and PE income taxes (refundable if negative)	0	0	0	0
Clawback payable re EI and OAS	Line 422	0	0	0
CPP on self-employment income	Line 421	0	0	0
Total payable by taxpayer / (refundable if negative)	0	0	0	0
Total income tax deducted (information slips/installments) - not CPP/EI premiums		before deducting taxes paid	0	0
Transfer of withholding tax re pension splitting		include all income tax paid	0	0
Adjusted total income tax credits			0	0
Balance payable (refund due if negative) after above payments/credits	0		0	0
CPP paid on employment income	0.00		0.00	0.00
EI paid on employment income	0.00		0.00	0.00
Total taxes, clawbacks, CPP/EI premiums	\$0		\$0	\$0
Net income before taxes / before RRSP deduction	\$15,005		\$0	\$0
Net income after taxes / before RRSP deduction	\$15,005		\$0	\$0
Tax savings re RRSPs / Marginal tax rate (see note below)	\$0	n/a	\$0	n/a
Average tax rate based on taxable income	0.00%		0.00%	0.00%
= total taxes, clawbacks, CPP/EI divided by taxable income				
Avg tax rate based on adjusted taxable income	0.00%		0.00%	0.00%

Note: RRSP contributions by one spouse may also reduce the taxes payable of the other spouse - this is not reflected in the RRSP savings. When RRSP contributions cause UCCB income to move from one spouse to the other, tax savings re RRSPs are not accurate.

Unused student loan interest \$0
Donations in excess of 75% of net income - carry forward \$0

Alternative minimum tax (AMT) is estimated based on available information.
This calculator is intended to be used for planning purposes. It does not include every available tax credit. We strive for accuracy, but cannot guarantee it. Calculations are based on rates known as of July 30, 2014, including changes from provincial budgets.

Questions or comments on the tax calculator? Please e-mail us at admin@TaxTips.ca. If you have a question, it may help us to know your province.

Revised: August 18, 2014

$$15,005 - 6,765(OAS) = \$8,240 \text{ to determine GIS}$$

$$\text{At } \$8,240 \text{ GIS is } \$368.59 \times 12 = \$4,423$$

Total 15,005 → Net Income before Taxes.
+ 4,423 → GIS

\$19,428 → Total Tax Income.

(Table 1 continued / Tableau 1 suite)							
Yearly Income (excluding OAS Pension and GIS)		Monthly GIS with Maximum OAS Pension	Combined Monthly OAS Pension and GIS	Yearly Income (excluding OAS Pension and GIS)		Monthly GIS with Maximum OAS Pension	Combined Monthly OAS Pension and GIS
Revenu annuel (sauf la pension de la SV et le SRG)		SRG mensuel pour montant maximal de la pension de la SV	Total mensuel de la pension de la SV et du SRG	Revenu annuel (sauf la pension de la SV et le SRG)		SRG mensuel pour montant maximal de la pension de la SV	Total mensuel de la pension de la SV et du SRG
From/De	To/À			From/De	To/À		
\$	\$	\$	\$	\$	\$	\$	\$
6,984.00	7,007.99	420.59	984.33	8,112.00	8,135.99	373.59	937.33
7,008.00	7,031.99	419.59	983.33	8,136.00	8,159.99	372.59	936.33
7,032.00	7,055.99	418.59	982.33	8,160.00	8,183.99	371.59	935.33
7,056.00	7,079.99	417.59	981.33	8,184.00	8,207.99	370.59	934.33
7,080.00	7,103.99	416.59	980.33	8,208.00	8,231.99	369.59	933.33
7,104.00	7,127.99	415.59	979.33	8,232.00	8,255.99	368.59	932.33
7,128.00	7,151.99	414.59	978.33	8,256.00	8,279.99	367.59	931.33
7,152.00	7,175.99	413.59	977.33	8,280.00	8,303.99	366.59	930.33
7,176.00	7,199.99	412.59	976.33	8,304.00	8,327.99	365.59	929.33
7,200.00	7,223.99	411.59	975.33	8,328.00	8,351.99	364.59	928.33
7,224.00	7,247.99	410.59	974.33	8,352.00	8,375.99	363.59	927.33
7,248.00	7,271.99	409.59	973.33	8,376.00	8,399.99	362.59	926.33
7,272.00	7,295.99	408.59	972.33	8,400.00	8,423.99	361.59	925.33
7,296.00	7,319.99	407.59	971.33	8,424.00	8,447.99	360.59	924.33
7,320.00	7,343.99	406.59	970.33	8,448.00	8,471.99	359.59	923.33
7,344.00	7,367.99	405.59	969.33	8,472.00	8,495.99	358.59	922.33
7,368.00	7,391.99	404.59	968.33	8,496.00	8,519.99	357.59	921.33
7,392.00	7,415.99	403.59	967.33	8,520.00	8,543.99	356.59	920.33
7,416.00	7,439.99	402.59	966.33	8,544.00	8,567.99	355.59	919.33
7,440.00	7,463.99	401.59	965.33	8,568.00	8,591.99	354.59	918.33
7,464.00	7,487.99	400.59	964.33	8,592.00	8,615.99	353.59	917.33
7,488.00	7,511.99	399.59	963.33	8,616.00	8,639.99	352.59	916.33
7,512.00	7,535.99	398.59	962.33	8,640.00	8,663.99	351.59	915.33
7,536.00	7,559.99	397.59	961.33	8,664.00	8,687.99	350.59	914.33
7,560.00	7,583.99	396.59	960.33	8,688.00	8,711.99	349.59	913.33
7,584.00	7,607.99	395.59	959.33	8,712.00	8,735.99	348.59	912.33
7,608.00	7,631.99	394.59	958.33	8,736.00	8,759.99	347.59	911.33
7,632.00	7,655.99	393.59	957.33	8,760.00	8,783.99	346.59	910.33
7,656.00	7,679.99	392.59	956.33	8,784.00	8,807.99	345.59	909.33
7,680.00	7,703.99	391.59	955.33	8,808.00	8,831.99	344.59	908.33
7,704.00	7,727.99	390.59	954.33	8,832.00	8,855.99	343.59	907.33
7,728.00	7,751.99	389.59	953.33	8,856.00	8,879.99	342.59	906.33
7,752.00	7,775.99	388.59	952.33	8,880.00	8,903.99	341.59	905.33
7,776.00	7,799.99	387.59	951.33	8,904.00	8,927.99	340.59	904.33
7,800.00	7,823.99	386.59	950.33	8,928.00	8,951.99	339.59	903.33
7,824.00	7,847.99	385.59	949.33	8,952.00	8,975.99	338.59	902.33
7,848.00	7,871.99	384.59	948.33	8,976.00	8,999.99	337.59	901.33
7,872.00	7,895.99	383.59	947.33	9,000.00	9,023.99	336.59	900.33
7,896.00	7,919.99	382.59	946.33	9,024.00	9,047.99	335.59	899.33
7,920.00	7,943.99	381.59	945.33	9,048.00	9,071.99	334.59	898.33
7,944.00	7,967.99	380.59	944.33	9,072.00	9,095.99	333.59	897.33
7,968.00	7,991.99	379.59	943.33	9,096.00	9,119.99	332.59	896.33
7,992.00	8,015.99	378.59	942.33	9,120.00	9,143.99	331.59	895.33
8,016.00	8,039.99	377.59	941.33	9,144.00	9,167.99	330.59	894.33
8,040.00	8,063.99	376.59	940.33	9,168.00	9,191.99	329.59	893.33
8,064.00	8,087.99	375.59	939.33	9,192.00	9,215.99	328.59	892.33
8,088.00	8,111.99	374.59	938.33	9,216.00	9,239.99	327.59	891.33



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 169

Asked by: MLA Olive Crane

Answered by: Minister Wes Sheridan

Date: October 6, 2014

QUESTION:

(Referencing the 2009 report on the commission on Land and Local Governance by Ralph Thompson) Has a review and revision on the regulations on land and local governance taken place? What are the results? Are there new regulations? Are there new regulations completed to extend special planning areas Island wide? Have there been changes to the Municipalities Act? What were the guiding principles and statements on provincial interest in the development of a comprehensive land use policy? Has government developed a "Community Scenic Viewscapes Program?" Has government a complete list of a Corporate Land Use Inventory? Which communities have been able to access professional planning? Please table in the House and make public the Provincial Conservation Strategy? Has the authority to rule on applications to acquire and vary permits under the Lands Protection Act to IRAC? Please update the House and the Public on the transfer of "tax room on non-commercial property"? Have all the recommendations from the Commission on Nitrates in Ground Water been implemented? Are there any of these recommendations that have not been implemented? Which recommendations have not been implemented and why? Who were appointed to work as part of a Task Force on land governance and municipal incorporation? What are the most recent results from this work?

ANSWER:

Has a review and revision on the regulations on land and local governance taken place? What are the results? Are there new regulations?

Government has endorsed the general direction of the report of the Commission on Land & Local Governance and is working to implement the 40 recommendations.

Are there new regulations completed to extend special planning areas Island wide?

Government has been monitoring development trends and has chosen not to extend the Special Planning Areas.

Have there been changes to the Municipalities Act?

No changes have been made to the current Act. Commissioner Thompson recommended that a new municipal government act be prepared in consultation with municipalities. A steering committee has prepared a draft which will be released for further consultation in the future.

What were the guiding principles and statements on provincial interest in the development of a comprehensive land use policy?

The Task Force on Land Use Policy has recommended principles and statements of provincial interest. Government supports this recommendation and will be adopting the statements of provincial interest.

Has government developed a "Community Scenic Viewscapes Program"?

No. Viewscapes are addressed in the report of the Task Force on Land Use Policies.

Has government a complete list of a Corporate Land Use Inventory?

The Corporate Land Use Inventory was released in 2013.

Which communities have been able to access professional planning?

Funding is available for municipalities from the Infrastructure Secretariat to assist communities to hire professional planning services.

Please table in the House and make public the Provincial Conservation Strategy?

The Environmental Advisory Council recommended sustainable development principles. The Environment division is drafting the conservation strategy.

Has the authority to rule on applications to acquire and vary permits under the Lands Protection Act to IRAC?

The Commission on the Lands Protection Act recommended significant changes and amendments were introduced in the spring (2014) session of the legislature.

Please update the House and the Public on the transfer of "tax room on non-commercial property"?

Municipal consultation is continuing regarding funding for municipal government services.

Have all the recommendations from the Commission on Nitrates in Ground Water been implemented? Are there any of these recommendations that have not been implemented? Which recommendations have not been implemented and why?

The 2008 Commission on Nitrates in Groundwater made 32 recommendations. Work is underway and monitoring continues.

Who was appointed to work as part of a Task Force on land governance and municipal incorporation?

The Task Force on Land Use Policy was appointed in August, 2012; members are John Handrahan, Tignish (chair) Paul Gallant (Souris), Janice Harper, Charlottetown, Carol Horne, Charlottetown, Marvyn Webster, Kelvin Grove.

What are the most recent results from this work?

The Task Force on Land Use Policy reported to Minister Sheridan early in 2014. This report is being reviewed by senior staff. The Report of the Task Force on Land Use Policy was released in June 2014.



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 180

Asked by: Olive Crane

Answered by: Minister Wes Sheridan

Date: October 30, 2014

QUESTION: The federal government provides families that adopt a child internationally a non-refundable tax credit. Does province provide a similar tax break on the family's income tax?

ANSWER: The province does not provide similar tax credit. The PEI Department of Community Services and Seniors provides direct services to connect children of all ages with safe and loving families who provide permanent and stable homes where they can enjoy healthy childhoods.



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 216

Asked by: Olive Crane

Answered by: Wes Sheridan

Date: October 29, 2014

QUESTION: It was reported in the Globe and Mail Thursday, February 20, 2014, in Mr. Yakabuski's editorial, that the equalization formula has been renewed by Ottawa and is not expiring until 2019. Has the Equalization Accord and its' formula renewed by the Federal Government until 2019 (for PEI)? Is this formula the same rules that we've been operating on for the past several years on P.E.I.? What percentage of equalization cash do we expect from the Federal Government by year, until 2019?

ANSWER:

In December 2012, the federal minister of finance announced details on transfer amounts for 2013-14, as well as on minor technical improvements to the Equalization and Territorial Formula Financing (TFF) programs in the context of the renewal of these programs' enabling legislation, which expires on March 31, 2014. The Equalization program is renewed for a five-year period. There were no substantive changes to the program. The ceiling on provincial entitlements continues to apply and has reduced payments to PEI by a cumulative \$72.664 million since it was unilaterally imposed on provinces for the 2009/10 fiscal year. Equalization accounts for approximately 22% of total budget revenue for 2014/15.



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 241

Asked by: Olive Crane

Answered by: Minister Wes Sheridan

Date: October 30, 2014

QUESTION:

Food prices for special diets for health reasons are not eligible for federal disability tax breaks. In regards to PEI food prices for special diets for health reasons, who is responsible to monitor the costs? For Islanders who have Celiac Disease and have to eat gluten free products, why are these gluten free products so expensive? The federal government has included ADD/ADHD as a medical disability, would the province of PEI work with the federal government to have a tax credit available for people who require specialty health diets like Celiac Disease? Would the province of PEI consider putting a Provincial Tax Credit in place that is income tested for modest to low income Islanders who need specialty health diets like Celiac Disease?

ANSWER: See Answer to Question 239.



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 242

Asked by: Olive Crane

Answered by: Minister Wes Sheridan

Date: October 31, 2014

QUESTION:

In this year's AG report made recommendations of improvements to Information Technology Governance and IT Contracting. What is the makeup of an IT oversight committee to guide decisions making in relation to IT strategic priorities to government? Is this committee put in place? Issues have been identified in this section of government going back to 2006, what new processes have been put in place to insure adequate monitoring of contract expiry dates, contracts awarded without a competitiveness process, and lack of documented risk assessments? In the cases where contracts have been awarded without a competitive process, did the province break any of the Atlantic Procurement Agreements? In the area of conflict of interest situations, including conflict of interest provisions and disclosure requirements, have changes been made and are these requirements now included as standard wording within IT contracts?

ANSWER:

Q: What is the makeup of an IT oversight committee to guide decisions making in relation to IT strategic priorities to government?

A: Deputy Ministers Council (DMC) is currently fulfilling this role for the Government of PEI.

Q: Is this committee put in place?

A: Yes, DMC has regular meetings.

Q: Issues have been identified in this section of government going back to 2006, what new processes have been put in place to insure adequate monitoring of contract expiry dates, contracts awarded without a competitiveness process, and lack of documented risk assessments?

A: There is ongoing work in all of these areas. More specifically:

- Contract expiry dates - ITSS's Corporate Operations, Finance and Planning Division staff responsibilities are being re-aligned to ensure we can dedicate a portion of one person's time to contract planning which can mitigate the deficiencies identified in this section going forward. This realignment is ongoing and should be finalized in fiscal 2014-15.
- Contract awards - The past application of exemptions under trade agreements to support sole sourced contracts has been discussed and reviewed with the Comptroller's office procurement division. Going forward the Auditor General's observations in this section will be considered prior to application of exemptions.
- Documented Risk Assessments - ITSS Management has expanded on our efforts to address the Auditor General's recommendations 2.31 and 2.36 to incorporate risk assessments and mitigate this concern.

Q: In the cases where contracts have been awarded without a competitive process, did the province break any of the Atlantic Procurement Agreements?

A: All awarded contracts were on side with Interprovincial trade agreements, as mechanisms exist within these agreements to award in certain circumstances contracts without a competitive process. With respect to the auditors work in this area, be advised that in all instances Treasury Board approved all contracts reviewed by the Auditor General and in all instances long standing procurement processes were followed. To add further clarity to this section of the audit report, ITSS management would advise that when exemptions to trade agreements are cited to justify a sole source contract that an internal process is followed to validate these exemptions. Advice and agreement from the Comptroller's Office – Procurement Division are required prior to advancing sole source contracts to Treasury Board for approval under an exemption. Application of exemptions in trade agreements can be highly subjective which is why there is an internal requirement to seek a second opinion on the application of these exemptions.

As noted in our response to the previous question, be advised that the past application of exemptions under trade agreements to support sole sourced contracts has been discussed and reviewed with the Comptroller's office procurement division. Going forward the Auditor General's observations in this section will be considered prior to application of exemptions.

Q: In the area of conflict of interest situations, including conflict of interest provisions and disclosure requirements, have changes been made and are these requirements now included as standard wording within IT contracts?

A: Work in this area is on-going between ITSS management and Treasury Board. ITSS management has expanded its work around contract management plans to formalize its efforts in this area to include documented consideration of conflict of interest situations. In addition Treasury Board staff members are working to address the AG's recommendation with respect to updating Treasury Board Policy.



ANSWERS TO WRITTEN QUESTIONS 4th Session - 64th General Assembly

LEGISLATIVE ASSEMBLY

Question No: 243

Asked by: Olive Crane

Answered by: Minister Wes Sheridan

Date: October 17, 2014

QUESTION: In this year's AG report an update on previous recommendations on the PEI Energy Board (2007). Has the strategic plan developed and presented to the board of directors of the PEI Energy Corporation been accepted? If it has been accepted, has the business plan to accompany it, been completed? Are these documents public?

ANSWER:

The PEI Energy Corporation has prepared a draft strategic plan which was presented to Policy Board in October 2014. Policy Board's input will be incorporated into the document and it will be presented to the Board of Directors for approval by the end of the year. Once the strategic plan has been approved – and the corporation receives direction on the cable interconnection upgrade – a business plan will be completed and the strategic plan will be made available to the public.