Backgrounder: Seniors Education Property Tax Deferral

Beginning in 2017, a re-elected Saskatchewan Party government will allow senior homeowners with household incomes under $70,000 to defer the education portion of their property taxes. This measure is intended to provide low to moderate income seniors with greater financial flexibility and assist them to stay in their own homes longer.

It’s estimated that over 45,000 senior households in the province will be eligible for education property tax deferral.

The new education property tax (EPT) deferral option will be available each year to seniors owning and living in a principal residence. In order to qualify, household income must be below $70,000 in the previous taxation year and the owners must have a minimum of 25 percent equity in that home. Eligible senior households must also maintain adequate fire insurance coverage on the residence. Senior homeowners who may have education property tax arrears will only be able to begin deferring their education property tax once the arrears have been paid.

Seniors will have a choice each year whether to defer their education property taxes and may defer them for successive years. There is no maximum limit as to how much seniors can choose to defer. Seniors can also choose to repay all or part of the total amount they have deferred at any time, without penalty.

Similar to other provinces that offer property tax deferral, interest will be applied on the deferred amount but at a favourable rate that approximates the government’s cost of borrowing, currently at 2 per cent. When seniors choose to defer their property taxes, the provincial government will establish a lien against the home for the value of the tax deferral. This will ensure that the amount being deferred can be collected in the future once the home is sold.

Repayment of the deferred EPT will occur when one of two things happens; 1) the residence is sold or ownership is transferred to someone other than the spouse or common law partner or 2) when the senior and spouse or common-law partner no longer reside in the home.

The Saskatchewan Housing Corporation will be responsible for administering the Seniors Education Property Tax Deferral Program.

Cost:

An estimated 2,500 senior homeowners are expected to take advantage of the new program each year, resulting in an annual Education Property Tax deferral of about $3.5 million.
**Saskatchewan Party Record**

**Seniors Housing:**

- Since November 2007, the Saskatchewan Party has provided more than $36 million in funding to groups that have developed a total of 440 seniors’ housing units.
- Saskatchewan Housing Corporation owns 10,500 seniors housing units and provides funding for another 2,700 seniors units owned by other groups.

**Seniors Affordability:**

- Because of record tax reductions by the Saskatchewan Party for low income earners, more than 112,000 people, including many seniors, no longer pay any provincial income tax at all.
- Benefits under the Seniors Income Plan have tripled to $270 per month.

In contrast, under the NDP, Seniors Income Plan benefits were frozen at $90 per month for 16 years.

**Seniors Health Care:**

- Nearly 120,000 seniors benefit from the Seniors Drug Plan.
- Since 2007, investments in home care have increased by 50 per cent.
- 15 new long-term care facilities have been constructed or are in development.
- Financial support for long-term care has increased by nearly 40 per cent.
- Full-time equivalent positions in long-term care facilities have increased by 800 for roughly the same number of patients.

In contrast, the NDP closed 1,200 long-term care beds.