

## Details on Liberals' proposed RRIF measure to come 'in due course': Finance

Plus, CFIB pushes for certainty, cost relief for small business

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Parliament gets back to business this coming Monday, but uncertainty remains regarding outstanding tax measures as well as proposed election promises, especially with the federal budget delay.

Prime Minister Mark Carney told reporters on Sunday that the federal budget would be delivered in the fall, in contrast with previous messaging that the government would instead issue a fall economic statement.

In an article on Tuesday, David-Alexandre Brassard, chief economist with CPA Canada, said the government's lack of urgency regarding fiscal transparency is troubling — particularly given its election platform planned for additional deficits.

Without a fiscal roadmap, “public servants and policymakers are left making decisions in an information vacuum,” Brassard wrote.

Last week the finance minister said the government will present a ways-and-means motion when Parliament returns to introduce the tax cut the Liberals promised during the election — lowering the lowest federal tax bracket to 14% from 15%.

The finance minister didn't mention other election promises, including the proposal to reduce the mandatory minimum RRIF withdrawal by 25% for one year. Some retirees are waiting for details on the proposed measure before making this year's withdrawal.

In an email on Wednesday, a Finance spokesperson noted that the new cabinet was “just sworn in last week,” and on the proposed RRIF measure, “the government will have more to say in due course.”

With the Liberals having campaigned on \$35 billion of new spending, “there's a lot of uncertainty with all these [proposed election] measures,” said Fred O'Riordan, EY Canada's national leader of tax policy in Ottawa.

However, the proposed RRIF measure made “absolute sense” in terms of fiscal sustainability, O'Riordan said. “My one question would be, Why just one year?”

O'Riordan also advocates for further RRIF reform, such as increasing the age of mandatory RRSP conversion. RRSPs must be converted to RRIFs by the end of the year in which a taxpayer turns 71, and mandatory minimum withdrawals begin the year after a RRIF is opened.

“People are living longer, and they are [financially] stretched, a lot of them,” O'Riordan said.

Many other tax-related measures remain in legislative limbo.

The Canadian Federation of Independent Business (CFIB) continues to push for legislation that would support small business.

“Parliament needs to act quickly to address some unfinished business that can provide some much-needed certainty and cost relief to small business owners,” said Corinne Pohlmann, executive vice-president of advocacy with the CFIB, in [a release](#) on Wednesday. “It’s deeply worrisome and disappointing that the government is not planning to introduce a budget in this sitting, as we need a budget to get some important tax policies across the finish line.”

[As the CFIB said previously](#), legislation is needed for the proposed increase to the lifetime capital gains exemption (LCGE) to \$1.25 million from \$1,016,836, effective June 25, 2024, and for the Canadian Entrepreneurs’ Incentive, which would lower capital gains taxes on up to \$2 million following a business sale.

Other priorities for small business include lowering the federal small business tax rate to 0% from 9% “for the foreseeable future,” the CFIB release said, and eliminating internal trade barriers.

“Ottawa needs to move as quickly as possible on economic and tax reduction policies,” Jasmin Guenette, the CFIB’s vice-president of national affairs, said in the release. “The cost of doing business is already high, and tariff-fuelled uncertainty could cause irreversible damage if it’s not addressed quickly.”

[Fitch Ratings](#) has forecast a peak-to-trough GDP contraction of 1.5% for 2025, which it described as a mild recession. The rating agency said that business sentiment has dropped to its lowest level since the pandemic

In an ongoing survey of 1,420 CFIB members, as of May 13, 62% of respondents said they weren’t confident that the new Liberal government is committed to supporting small business.

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