

## **Backgrounder**

The memorandum of understanding signed today includes the renewal of the Labour Market Agreement—now renamed the Canada Job Fund—and the creation of the Canada Job Grant.

### **Canada Job Fund**

The current Labour Market Agreements, created in 2007, are being transformed into the new Canada Job Fund to ensure greater employer involvement in training. Nationally, the Government of Canada will continue to provide \$500 million annually to the provinces and territories for investments in skills training through the Canada Job Fund. Saskatchewan will continue to receive approximately \$16 million—Saskatchewan's per capita share of the \$500 million.

The Canada Job Fund will now include \$200 million of employer-driven training, which may include funding for the Canada Job Grant or other existing employer-driven training programs. In Saskatchewan, this means approximately \$6 million of its Canada Job Fund allocation will be spent on this employer-driven training.

### **Canada Job Grant**

The Canada Job Grant will help Canadians get the training they need for available jobs and put skills training decisions in the hands of employers. It will provide up to \$15,000 per person for training costs, including tuition and training materials, which includes up to \$10,000 in federal contributions. Employers would be required to contribute on average one-third of the total costs of training.

The provinces and territories will have full flexibility on the source of funds for the Canada Job Grant. They may be sourced from provincial/territorial allocations under the Canada Job Fund, the Labour Market Development Agreements or provincial/territorial sources.

The Grant will be for short-duration training provided by an eligible third-party trainer, such as community colleges, career colleges, trade union centres and private trainers. Training can be provided in a classroom, on site at a workplace or online.

All private and not-for-profit businesses with a plan to train Canadians for a new or better job will be eligible to apply for a Canada Job Grant, once implemented.

The Canada Job Grant will be flexible enough to meet the needs of businesses of all sizes, in all industries and regions. Small businesses will benefit from flexible arrangements, such as the potential to count wages as part of the employer contribution. This will help ensure that all businesses, regardless of size, can fully participate in the Canada Job Grant.

The Canada Job Grant will ensure that employers participate meaningfully as partners in the skills training system, sharing in the associated costs. This will ensure that training is better aligned with job opportunities, particularly in sectors facing skills mismatches and labour shortages.

The Canada Job Grant is strongly supported by employers and other stakeholders including:

- The Building and Construction Trades Department, AFL-CIO;
- National Association of Career Colleges;
- Canadian Federation of Independent Business;
- Canadian Manufacturers & Exporters;
- Canadian Construction Association;
- Information Technology Association of Canada;
- Canadian Welding Bureau;

- Engineers Canada;
- Progressive Contractors Association;
- Christian Labour Association of Canada;
- Canadian Home Builders' Association;
- Canadian Shipowners Association;
- Canadian Electricity Association;
- Canadian Institute of Plumbing and Heating;
- Merit Canada;
- Polytechnics Canada;
- Prospectors and Developers Association of Canada;
- Chemistry Association of Canada; and
- Aerospace Industry Association of Canada.