Budget 2026: What it Means for Your Corporation, Your Family and Your Retirement

The five changes that matter most to Canadian business owners and high-income professionals: whether each one helps or hurts you, the dates to watch, and what to do about it.

The federal budget tabled on November 5, 2026 runs 532 pages and touches all 41 million Canadians. Most of it won't change your plans. These five items will.

No personal or corporate tax rates changed. What changed are the rules for how you own your company, invest in it, sell it and retire from it, and the biggest opportunity in years comes with a three-year clock attached.

How to read our verdicts

- **Good** — Helps most of our clients
- **Mixed** — Helps in some ways, hurts in others
- **Watch out** — Costs you if you don't act

1

The new $15 million capital gains exemption

Good

If you qualify, and only if your structure is set up for it.

Key dates

Shares issued from Nov 5, 2026 to the end of 2036. Must be held 36 months before a sale.

- **New shares only, so the clock matters.** The Canada Growth Incentive only covers shares issued on or after November 5, 2026, for cash or for work in the business, and held at least 36 months before you sell. The growth already in your existing shares doesn't count, but a restructuring similar to an estate freeze may let future growth build up in new, qualifying shares.
- **It's per person, but you must own the shares yourself.** Every adult owner gets a separate $15 million limit per business, so family members who invest their own money could each qualify. Shares held through a holding company or a family trust don't qualify, and that's exactly how many owners are set up today.
- **Many businesses are excluded, and the company has to be "clean."** Professional practices (doctors, dentists, lawyers, accountants, engineers), consulting, real estate, financial services, insurance, restaurants, hotels and franchises are all out. The company also needs roughly 90% of its assets in the active business when shares are issued and when they're sold, so surplus cash and investments sitting in the operating company can disqualify you.

> **Your move:** have your share structure reviewed before any new shares are issued. You can't use both this and the existing $1.275 million Lifetime Capital Gains Exemption on the same company, and the government's anti-abuse rules are still to come, so this needs a plan rather than a quick fix.

2

Individual Pension Plans (IPPs) under new limits

Watch out

For overfunded plans or plans that invest in your own businesses. IPPs remain a strong tool.

Key dates
January 1, 2027 and January 1, 2028.

- **The family-member workaround ends January 1, 2027.** Some plans added relatives to get past the three-member limit that defines an IPP. Those plans will now be treated as IPPs anyway, with all the extra rules that come with that.
- **A surplus cap starts January 1, 2028.** If your plan holds more than twice what it needs to pay your pension, the CRA can revoke its registration. Revocation triggers a 10% special tax, and the rest is treated as a contribution to a retirement compensation arrangement, which carries a 50% refundable tax.
- **Investment restrictions also start January 1, 2028.** The same rules that govern your RRSP and TFSA will apply: a 50% tax on prohibited or non-qualified investments, and 100% on any "advantage." IPPs that lend to or invest in your own companies or real estate need an exit plan.

> Your move: book a funding and investment review of your IPP during 2027, a full year before the 2028 rules take effect.

3

100% write-off on business equipment

Good

For any business that buys equipment, technology or machinery.

Key date
Eligible assets acquired on or after September 15, 2026.

- **Immediate, permanent expensing.** Under the Productivity Mega Deduction, you can deduct the full cost of most business assets in the year they're put to use, including medical and dental equipment, computers, software and machinery. The government says it covers more than 65% of business investment.
- **Buildings, goodwill and passenger vehicles are excluded.** Your office or clinic building and the company car are still written off slowly under the old rules.
- **It delays tax rather than erasing it.** When you sell the asset later, the deduction comes back as taxable income. The value of a big write-off depends on what tax rate it saves you from.

> Your move: time major purchases for your highest-income years, and plan them together with your salary and dividend decisions.

4

New tax deadlines, and tougher CRA penalties

Mixed

More breathing room on cash flow, but bigger penalties for mistakes.

Key dates
2027 tax year (filed in 2028) for the deadline change. 2028 for instalments.

- **The deadline moves to May 15.** Starting with 2027 returns, filing and payment are both due May 15. Your 2026 return is still due April 30, and self-employed filers lose their June 15 filing date.
- **Instalments get easier from 2028.** The threshold rises from $3,000 to $7,500 for individuals and corporations. If your main income is from a business, you can make one payment of two-thirds of your tax by December 31 instead of four quarterly payments.
- **Enforcement gets sharper.** You'll have one year to object to an assessment, with no extensions allowed. Older fixed penalties rise 2 to 3 times, and the CRA will be able to report tax debts over $50,000 to credit bureaus. On the plus side, the foreign property reporting threshold (Form T1135) doubles to $200,000.

> Your move: use the new instalment room to keep more cash working in your corporation, and treat every CRA deadline as firm.

5

The "RRSP for life"

Good

For retirees and estate planning, but still a proposal under consultation until January 8, 2027.

- **No forced conversion to a RRIF at 71.** Your RRSP could stay an RRSP for life. Minimum withdrawals still start after 71, so this is mainly about simplicity rather than tax savings.
- **Your spouse could take over your RRSP.** Under a proposed "successor holder" option, a surviving spouse would keep the plan open, deferring the tax until the second death. That makes your beneficiary designations even more important.
- **Simpler transfers to survivors.** Today's rollover rules on death would be replaced with direct, tax-free transfers to a survivor's registered plan.

> **Your move:** nothing to do yet. Once the final rules are released, we'll review spousal and beneficiary designations as part of your estate plan.

Real estate and families: what didn't change

- Tax rates are unchanged, and the capital gains inclusion rate stays at 50%.
- Nothing changes for the principal residence exemption.
- Real estate businesses and rental operations are excluded from the new $15 million exemption.
- **One new trap:** as of November 5, 2026, a family trust can no longer move property tax-free to a beneficiary living outside Canada, even indirectly through a Canadian company that beneficiary owns. This matters if any of your children live abroad.

Turning the budget into a plan

This budget rewards owners who plan their structure ahead of time. That's the work we do with incorporated owners and professionals:

- Corporate and share structure reviews
- Salary, dividend and cash-flow planning
- IPP funding and investment check-ups
- Estate and beneficiary updates

Book a Discovery meeting

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Based on Budget 2026 as tabled November 5, 2026. Most measures are proposals that may change before becoming law, and some rules (including anti-abuse rules for the $15 million exemption) are not yet released. General information only, not tax, legal or investment advice. Speak with a qualified advisor before acting.