

Innovation & Development Labour Rebate

The Innovation and Development Labour Rebate (IDLR) is a refundable labour rebate which may apply to projects in support of the development and/or commercialization of new products, processes and services that will be sold primarily beyond the borders of PEI. A new product, process or service is one that has not previously been successfully developed in Prince Edward Island for commercial production or sale.

The IDLR provides a rebate equal to 37.5 per cent of eligible salaries and wages. Eligible salaries and wages are paid to PEI residents for incremental, full time positions (1850 hours), and each position must have a gross wage of at least \$30,000 per annum. Any individuals maintaining ownership in the company are not eligible.

Projects are expected to be short term; the IDLR is applied to a maximum of one year of eligible labour expenses. The project may exceed one year, but only one year's expenditures will be used to calculate the IDLR. Innovation PEI may agree to pro-rate the eligible rebate, with partial payments over several years (maximum ten years).

Who Can Apply

Companies eligible to apply for the Innovation and Development Labour Rebate have a permanent establishment in Prince Edward Island and carry on the development of new or innovative products, processes or services within a strategic industrial sector. Strategic sectors include: aerospace; biosciences; export-focused manufacturing and processing; financial services; information and communications technology; and renewable energy.

Process

The Innovation and Development Labour Rebate must be applied for before the project is undertaken. In order for a project to be eligible for assistance, it must provide economic benefit to the province. For each project approved, claims will be accepted on a quarterly basis, with payments issued against eligible payroll expenditures supported by appropriate documentation.

Performance Monitoring

For each approved project, a letter of offer stating the terms and conditions of approval will be forwarded to the applicant or corporate contact. When accepted, the letter of offer shall constitute a contract between government and the applicant(s). Should the project fail to comply with the terms and conditions of the contract or be discontinued, government may at its sole discretion:

- Declare the applicant to be in non-performance (default) of the contract.
- Request the applicant to repay in full the incentive received.
- Take necessary legal action to collect the incentive amount in full with interest.

Application must be submitted before any financial or legal commitment is made on the project

For More Information

Innovation PEI specializes in providing one-on-one business advisory services. Our qualified staff can also provide information regarding most business development programs offered by government agencies across Prince Edward Island. Application forms and additional program information can be obtained from Innovation PEI.