



FOR IMMEDIATE RELEASE

## **First Credit Union welcomes province's decision to restore credit union tax benefits**

Powell River, BC, September 14, 2017— First Credit Union is pleased by the Government of British Columbia (B.C.)'s decision to reinstate the credit union tax treatment, which was announced in the September 11 B.C. budget update.

Previously, the lower tax rate was implemented in recognition of the fact that B.C. credit unions are in a unique position to reinvest capital back into the provincial economy.

A competitive tax environment enables credit unions to reinvest in a diverse provincial economy by creating quality, head-office jobs across the province, providing more financial support for community projects, and making more local lending decisions to help small businesses and individuals thrive.

The province had planned to phase out the small business tax rate on credit unions and increase it incrementally over the next four years. In January 2017, the government deferred this decision, pending further consultation. Without the restoration of the credit union tax treatment, B.C. credit unions faced a tax increase of over \$26 million annually.

"We're thrilled by this decision," says Dave Craigen, CEO of First Credit Union. "With this permanent tax change, we'll have more money to lend to our members and support local businesses. Ultimately, this decision enables us to continue to make important investments in our community and support local economic development."

In communities where credit unions are the sole financial services provider, the tax change is likely to have an even bigger impact.

"We're very glad the government sees the benefits in this tax change and we look forward to working with the government to develop legislation and regulations that enable us to grow and support our communities," says Craigen.

First Credit Union is the longest running credit union in BC, incorporated in 1939. With five insurance branches, five credit union branches, over \$360 million in credit union assets, and \$140 million in wealth management assets, the organization's 140 employees serve over 51,000 clients and members across five coastal communities.

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