

# Innovate to Opportunity (ITO) Program

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## Program Introduction

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The Innovate to Opportunity (ITO) program provides small- and medium-sized Nova Scotia businesses with an incentive to hire recent graduates with advanced (master's or doctoral) degrees for permanent, full-time jobs focused on innovation and export. ITO is administered by the Department of Labour and Advanced Education.

## Program Details

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ITO is designed to strengthen Nova Scotia's economy and increase exports by helping to keep the best-educated graduates working in the province, and by encouraging small- and medium-sized businesses to invest in research and innovation.

The program is available to businesses of fewer than 500 employees that create new, incremental positions based in Nova Scotia that are focused on research and innovation contributing to export growth, and who plan to hire a master's or PhD graduate. The incentive is a percentage of the employee's salary and provided in three disbursements over a three-year contract.

The minimum salary under the two-year program is \$60,000 (before vacation pay and any other benefits). The incentive will be calculated on the actual salary offered to the graduate, up to a maximum of \$100,000 a year. You are welcome to pay more than \$100K per year, however, additional amounts will not be included in the subsidy.

If you select a graduate who self-identifies as a member of a designated diversity group (as Mi'kmaq or Indigenous, as a visible minority, a person with a disability, a woman in an under-represented occupation or an international student graduate), you are eligible for an additional 10% in the first year.

The three years begin on the date the employee starts work. The first payment is made after six months of work, and second after 18 months, and the third after 30 months. Each payment reimburses for six months of work and provides an advance for six months.

## **The funding streams**

### **Innovation Stream**

In the Innovation Stream, at least 25% of the new grad-employee's time is spent on any combination of:

- ▶ Applied research
- ▶ Product and/or service development
- ▶ Process development or improvement
- ▶ Market analysis for new complex product or activity
- ▶ Technical feasibility studies and pilots for product launches or market entry
- ▶ Improvement of product quality, customer services, business efficiencies

The new employee's work should help the company prepare for, begin, or expand exports.

Incentive rates for the Innovation Stream are:

- ▶ 35% in year 1
- ▶ 20% in year 2
- ▶ 12.5% in year three

### **Advanced Innovation Stream**

In the Advanced Innovation Stream, at least 75% of the new grad-employee's time is spent on any combination of:

- ▶ Applied research
- ▶ Product and/or service development
- ▶ Process development or improvement
- ▶ Market analysis for new complex product or activity
- ▶ Technical feasibility studies and pilots for product launches or market entry
- ▶ Improvement of product quality, customer services, business efficiencies

The work of the position must help the company to prepare for, begin, or expand exports.

Incentive rates for the Advanced Innovation Stream are:

- ▶ 50% in year 1
- ▶ 25% in year 2
- ▶ 12.5% in year three

## Employer Requirements

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Innovate to Opportunity is available to Nova Scotia businesses of fewer than 500 full-time employees that are planning to begin or expand export activity. Organizations based outside the province that operate a Nova Scotia location may also be eligible.

The position you fill using ITO funding must be new to your organization. Innovate to Opportunity cannot be used to fill existing vacancies.

You may receive ITO funding for more than one new position. However, the number of supported positions may be limited due to budget availability. You must submit a separate application for each position.

Preference may be given to companies that have completed or enrolled in export development programs, as well as companies that have pursued the federal Industrial Research Assistance Program (IRAP) or the Scientific Research and Experimental Development Tax Incentive Program (SR&ED).

The employer must have a concrete plan that describes the innovation agenda for the position.

ITO is meant to help lessen risks that come with cutting-edge research and the development of products and services. The role should be focused on activities that will create entirely new opportunities in the market and for the business. It is not intended to support, for instance, standard IT programmer positions, even if the employee will be creating new content.

The innovation plan is to be submitted with your application, using the Innovation Plan template found on the program [website](#). The plan should outline the projects and activities the new employee will undertake, the amount of time estimated for each activity, milestones for projects and descriptions of technologies that will be employed. You are not eligible for this incentive if you will receive other government wage funding for the position, although you may receive funds for related projects

### Graduate-Employees

Employers can hire any graduate who has completed a master's or doctoral degree from a recognized university within one year of the application date. The program recognizes programs designated by Employment and Social Development Canada. A list of these can be found at this [web site](#).

The program can't consider graduate-employees who have been working for the employer on a permanent basis before the ITO application is approved.

Once hired, the employee must live and work in Nova Scotia.

LAE will provide incentives to employers to support the hiring of family members only where it supports the employment of individuals from certain groups that are underrepresented in the labour market, and where the employer has followed a fair hiring process.

Individuals who self-identify as one or more of the following may be eligible:

- ▶ Mi'kmaq or Indigenous
- ▶ African Nova Scotians
- ▶ Visible minorities (including persons of African descent)
- ▶ Persons with disabilities (consisting of a physical, cognitive or mental impairment that presents a persistent barrier to work)

A fair hiring process includes:

- ▶ advertising the position, (which can include language that indicates a preference for candidates from one of the populations above);
- ▶ interviews; and
- ▶ a rationale for selection

## Applying for Innovate to Opportunity

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Ready to go?

Applications for the program are made using the Labour Market Program Support System (LaMPSS). There is a one-time registration process to access the system using the LaMPSS External Access Form, available [here on the ITO website](#).

Once registered, users may log into LaMPSS to access the application form for ITO.

To apply, you need:

- ▶ A description of your organization and its mandate
- ▶ A contact at your organization who will be responsible for the agreement
- ▶ A job description for the new position you wish to create, as well as its location
- ▶ A T4 Summary or other documentation to show the number of employees
- ▶ A complete Innovation Plan

**Please create a new application for each position you wish to request.**

## Assessment and Approval

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Once applications are received, our Agreement Managers will assess your application for eligibility.

A review panel chaired by the Youth Initiatives Director will decide whether to approve your application based on:

- ▶ the completeness and clarity of the application
- ▶ the content of the innovation plan, and its ability to articulate the research and innovation focus of the role
- ▶ the likelihood that the innovation will lead to an increase in exports of products or services.

The review panel may contact you for additional information about your application and may request resubmission of your Innovation Plan.

If your application is approved, your agreement manager will send an Agreement Contract to the organization contact by email. We ask that you sign and return this contract within two weeks.

Once the signed contract is received, we recommend that you hire within 90 days of the contract date, and that your new employee start work within six months.

## Selecting your Graduate

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Your organization is responsible for recruiting, selecting, and hiring a graduate.

The ITO program can provide resources for hiring young people, including a list of frequently used job search sites, and refer you to a Nova Scotia Works location in your area.

Once you have hired, you need to submit three documents to your agreement manager:

- ▶ A copy of the graduate's degree/diploma or a letter from their university or college showing they have completed and passed all program requirements. The letter must include the date the graduate completed all courses.
- ▶ A signed copy of the employment agreement or letter of offer of employment between your organization and the graduate. The contract must show that the position offered is permanent and full-time, include the salary and start date, and be signed by both the graduate and the employer.
- ▶ A completed Graduate Information Form, which can be downloaded from our website. This is where the Graduate has an opportunity to self-identify, if appropriate, for the 10% diversity bonus.

If your selected hire belongs to a designated group, Labour and Advanced Education has a range of resources and training available to help you create a welcoming and inclusive workplace. Please feel free to ask your Agreement Manager for more information on these resources.



## The Agreement Period

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During the three years of your agreement, your Agreement Manager is your resource. To help us help you, the program has the following requirements.

### Employment Changes

Please contact your Agreement Manager if the graduate-employee changes roles, receives a salary increase, or leaves the position.

If the employee has resigned or if you have dismissed them, there are two options for the contract:

- ▶ You may choose to employ a second graduate to receive the rest of the wage subsidy.
- ▶ You may request a partial payment for the time the employee worked and close the agreement. You will not be eligible for another ITO position until you fill the vacancy and create another new position. If the employee leaves in the months after a payment has been made (i.e. months 6-12, 18-24, or 30-36), you must repay the amount for the time not worked.

For either of these options, your Agreement Manager will ask you to send a copy of the employee's Record of Employment and last pay stub. These documents must clearly show the reason the employee left.

**Please Note:** Innovate to Opportunity is available only for permanent, full-time jobs. If you decide to eliminate the new position or lay off your employee for lack of work within the three-year life of the contract, you will be required to repay any program contributions you have received.

### Evaluation and Feedback

At the end of each year of the Agreement you must submit a report that shows progress against the innovation plan. This report will outline the employee's projects and activities over the year and give an accounting of how much time was spent in each activity.

We also ask that graduates complete a survey at the end of each agreement year, and six months after the agreement ends. We will send links to the surveys by email to the agreement contact.

All information we gather is de-identified. We will not share identifiable information without permission.

Your Agreement Manager may also contact you from time to time during the agreement to request feedback or collect more information.

## **Financial Reporting**

To make payments, we will ask you to send proof of wages paid to the graduate at the 6-month, 18-month and 30-month marks. When making your reports, be sure to confirm that you are on track to meet your contract requirements (a minimum of \$60,000 per year, before vacation and benefits). Please explain any shortfalls, as well as a plan to mitigate them.

You can download and send the Financial Reports online through your LaMPSS account or send it to your agreement manager via email.

## **Contact Us**

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If you require any additional information, please contact a Youth Employment Program Officer:

yepinfo@novascotia.ca  
(Toll Free) 1-800-424-5418  
(Local) 902-424-6000



