



[Home](#) > [News](#) > [Minister of Finance Announces Transition Date for the Elimination of the Penny - July 2012](#)

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MINISTER OF FINANCE ANNOUNCES TRANSITION DATE FOR THE ELIMINATION OF THE PENNY

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- [Fact Sheet and FAQs - Businesses](#)
- [Fact Sheet and FAQs - Consumers](#)
- [Fact Sheet and FAQs - Rounding](#)

The Honourable Jim Flaherty, Minister of Finance today announced that the Royal Canadian Mint will officially no longer circulate pennies as of February 4, 2013. In Economic Action Plan 2012, the Harper Government announced it was eliminating the penny from Canada's coinage system.

The Harper Government is eliminating the penny due to its excessive and rising cost of production relative to face value, the increased accumulation of pennies by Canadians in their households, environmental considerations, and the significant handling costs the penny imposes on retailers, financial institutions and the economy in general. The estimated savings for taxpayers from eliminating the penny is \$11 million a year.

When pennies are not available, cash transactions should be rounded to the nearest five-cent increment in a fair and transparent manner. A rounding guideline that has been adopted in other countries, and that will be adopted by the Government for its cash transactions with the Canadian public, is attached. Electronic transactions, such as those with debit and credit cards, as well as cheques, will not need to be rounded.

"Setting a clear transition date will allow consumers, businesses, charities and financial institutions to plan accordingly in the lead-up to February," said Minister Flaherty. "We want to thank all Canadians for sharing their views with us, especially as it relates to this transition."

The revised date was set following initial consultations with small business and retailers who requested the transition date occur after the busy holiday shopping season. This will ensure all those participating in the transition will have ample time to prepare their business, train staff, and better inform consumers. It will also allow charities to hold dedicated 'penny drive' campaigns outside of existing fall fundraising drives.

The new transition date will not require new production of pennies, as the existing supply available for circulation remains sufficient to cover the period.

The Department of Finance will continue to consult with Canadians in the months to come on all aspects related to the elimination of the penny.

The penny will retain its value indefinitely and can continue to be used in payments.

Further information in support of this transition will be rolled out leading up to February, 2013.

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