



*The Glen Murray Program to End
Poverty Now*

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The Glen Murray Program to End Poverty Now: Highlights

- *The Program to End Poverty Now, advanced by Glen Murray, leadership candidate for the Green Party of Canada, refocuses more than \$87 billion in existing federal tax provisions¹ to raise millions of Canadians above the Low-Income Measure of poverty.²*
- *The Program focuses on Essential Workers, Families with Children, Students, Seniors and Persons with Disabilities.*
- *The Program creates a fairer and more progressive federal tax system delivering almost \$64 billion in savings and new benefits, and increases existing federal programs by more than \$30 billion.*
- *The Program allows for rapid and substantial change without revisiting existing federal and provincial programs or agreements.*
- *The Program invites provincial and territorial partners to refocus regular social assistance on skills development and transition to employment with more than \$2.2 billion in new federal support.*
- *The Program will increase provincial and territorial revenues by almost \$18 billion allowing partner governments to both end poverty and build a better post-COVID society.*
- *Increasing the tax rate on Canadian banks to the same level as in the US, and modest new taxes on those with incomes in excess of \$250,000, ensures the Program is implemented without increasing the federal deficit.*

¹ Finance Canada estimates that current Fiscal Expenditures (credits, deductions, exemptions and other tax preferences) in the personal, trust, GST and corporate tax systems will exceed \$240 billion in 2021. This amount excludes provisions covered by international treaties or inter-governmental agreements. Approximately \$32.5 billion of this amount is Canada Child Benefit, Canada Workers Benefit and the HST Credit. None of these are changed in the Glen Murray Program.

² In August 2018, Canada adopted the Market Basket Measure (MBM) as an official definition of poverty. It has more than 50 measures across the country. The Low-Income Measure (LIM) is generally 9 per cent to 15 per cent higher than the MBM and because it is standard across Canada, it is easier to use as a test. It is also the measure used in the Ontario Basic Income pilot project and generally used by most social policy advocates.

Introduction

Canada's lowest income citizens are long overdue for real support as the pandemic-driven economic slowdown has shown. In a wealthy country such as Canada, failing to eliminate poverty is a policy choice. It should not be optional; Canada needs to fix it.

A Green Party led by Glen Murray will always act to reduce, and ultimately eliminate, poverty. The Program represents a transformative expansion of federal support for seniors, families with children, students, persons with disabilities and lower income workers in essential services. It offers provincial and territorial governments a new partnership to support those on social assistance to receive training and transition to work and provides billions in new revenues to provinces and territories to make the elimination of poverty in Canada reality.

Addressing income inequality is not just a moral imperative, it is also critical to creating a greener and more sustainable future. It is not reasonable to ask those with the least resources to make greener choices as consumers without first ensuring they have the actual ability to do so.

Canada needs a practical, predictable and quick implementation plan for closing gaps in the existing social safety net. The Program to End Poverty Now advanced by Glen Murray offers a pathway to a Guaranteed Liveable Income (GLI), a key and longstanding pillar of Green Party of Canada policy.

The COVID-19 crisis has ignited public discussion about the merits of a GLI. Across Canada, there is renewed support for creating a universal basic income (UBI) program with the same functionality as the Green Party GLI.

The Program immediately improves the way the Canadian government directly supports our most marginalized and vulnerable and moves Canada significantly closer to the levels of dignity and support a GLI could provide. It is a major step towards a GLI implemented without changing current federal and provincial programs or agreements.³

³ Fully implemented, a GLI could replace many current federal and provincial income support programs but only following extensive and comprehensive consultation with stakeholders and partner governments. The Glen Murray Program does not propose or require changes to any existing provincial program or current support for persons experiencing low income.

Glen Murray's Program to End Poverty Now

Glen Murray proposes the immediate recalibration of existing programs to ensure more Canadians receive support to raise them to, and keep them above, the Low-Income Measure (LIM) of Poverty.

The benefits advanced under Glen Murray's program will apply to essential workers, families with children, students, seniors, and persons living with disabilities.

They are:

1. The Canada **Essential Workers Benefit** provides up to \$4,800 per year for low-income – and largely women -- workers in healthcare, child care, food distribution and other critical services.
2. The **Canada Family Benefit** for all Canadian families with children provides \$500 per month for each child four years of age and under, \$250 per month for each child aged five through nine, and \$100 per month for each child aged 10 to 12.
3. The **Canada Learning Benefit** increases the maximum amount of Federal direct support to low-and-moderate income, full-time post-secondary students to \$9,240, and increases support for post-secondary, part-time students to a maximum of \$6,840. These levels of support cover average undergraduate tuition and mandatory fees moving Canada closer to tuition-free, post-secondary education. Graduate Students would also be eligible.
4. The **Canada Seniors Benefit** lifts all seniors eligible for Old Age Security (OAS) out of poverty without requiring them to risk their health, lives or homes because they must work to survive.
5. The **Canada Care Benefit** ensures Canadian households receiving average provincial disability social assistance benefits see their income increased by \$7,200 that brings them to at least 90 per cent of the LIM. Canadians who qualify for the Federal Disability Credit will be entitled to a new refundable Care Benefit worth \$3,600.

When combined with the new Canada Family Benefit, all families receiving average provincial disability social assistance benefits with children are raised above the LIM.

The benefit also ensures families caring for children with disabilities, regardless of income, receive the full value of current federal disability benefits by making them fully refundable and extends the age of eligibility for such children to 25.

Table 1. Glen Murray's Program to End Poverty Now: no net increase in the federal deficit.

Table 1: Costing Summary: Program to End Poverty Now	
New Refundable Tax Credits	\$ 63,702,256,036
Canada Seniors Benefit of \$3,600	\$ 21,375,474,957
Refundable Credits supporting workers	\$ 20,425,046,494
Canada Learning Benefit of \$3,240	\$ 6,480,000,000
Refundable Credits supporting single income families	\$ 6,151,154,048
Canada Care Benefit for Adults Living with Disabilities of \$3,600	\$ 5,040,000,000
Refundable Credits to encourage investment & savings	\$ 2,718,580,537
Canada Care Benefit for Children of \$3,600	\$ 1,512,000,000
New Benefit Programs	\$ 30,012,837,491
Canada Family Benefit	\$ 15,681,338,771
Canada Disability Supplement & Canada Care Supplement	\$ 4,680,000,000
\$4,800 Essential Workers tax free wage grant	\$ 4,320,000,000
Increase Guaranteed Income Supplement to \$14,000	\$ 3,197,668,000
Canada Study Grants	\$ 1,887,830,720
Child care Building Fund	\$ 246,000,000
Social Assistance Reform (Canada Social Grant & Canada Work Grant)	\$ 2,269,400,400
TOTAL EXPENDITURE	\$ 95,984,493,927
Refocus personal credits & deductions	\$ 51,696,730,279
Existing Non-Refundable Credits	\$ 34,958,233,365
Existing deductions & exemptions	\$ 16,738,496,914
Close Business Loop-Holes & Exemptions	\$ 14,520,000,000
Corporate Capital Gains	\$ 10,670,000,000
E-commerce	\$ 1,250,000,000
Off-Shore Tax Havens	\$ 2,600,000,000
Close Loop-Holes & Exemptions Favouring Wealthiest	\$ 21,271,000,000
Personal & Trust Capital Gains	\$ 12,165,000,000
Preferential Treatment of Dividends	\$ 5,415,000,000
Other	\$ 3,691,000,000
TOTAL OFF-SETS FROM CHANGES TO EXISTING TAX POLICIES	\$ 87,487,730,279
New Taxes	\$ 8,644,340,000
Increase Tax Rate on Big Banks to 21%	\$ 2,744,340,000
5% surtax for incomes > \$250,000	\$ 2,300,000,000
Tax on Estates greater than \$5 million	\$ 2,000,000,000
38% rate on incomes above \$750k	\$ 1,000,000,000
Luxury Goods Tax	\$ 600,000,000
TOTAL OFF-SETS & NEW TAXES	\$ 96,132,070,279
IMPACT ON FEDERAL DEFICIT	-\$ 147,576,352

Benefit details and background

Canada Essential Workers Benefit (CEWB)

The economic effects of the COVID-19-related economic slow-down are not evenly distributed. Bank of Canada analysis shows that the job loss burden has disproportionately hit low-income Canadians and especially hit younger workers, women, and recent immigrants.

Canadians have also become more aware of the critical importance of low-paid work. There is greater recognition that child-care workers, personal support workers, workers in long-term care facilities, and grocery workers are essential to the functioning of society. Full-time work, especially for entry-level workers, who are younger and often new immigrants, and all workers earning minimum wage, is insufficient to meet the LIM poverty measure. Women in these roles, who have child-care expenses, especially sole-support parents, are particularly vulnerable.

The Canada Essential Workers Benefit (CEWB) and related changes to non-refundable credits, ensures that full-time essential workers in critical fields have after-tax and benefits incomes above the LIM.

Beneficiaries	1.2 million Canadians
Maximum Benefit	\$4,800 tax-free
Phase in	50 per cent per dollar of employment income Full benefit at \$9,600 of employment income
Phased out	24 per cent reduction above \$25,000 in employment income Phased out at \$45,000 in employment income
Delivered through	Tax system and Canada Workers Benefit system
<u>Related benefits</u>	
<ul style="list-style-type: none">● Refundable Employment Credit & Refundable Employer Benefit Credit● Recipients also eligible for Canada Family Benefit● Recipients also eligible for Canada Learning Benefit● Recipients also eligible for Canada Care Benefit	

All low-income workers will benefit from the conversion of non-refundable credits into refundable credits. The Employment Credit and credits for the Canada & Quebec Pension Plans (CPP/QPP) and Employment Insurance (EI) premiums become refundable. In addition, the new Employer Paid Benefit credit will also be refundable. Combined, these changes will increase the after-tax income of lower income workers especially benefiting students, part-time workers and social assistance recipients with occasional employment income.

As shown in Table 2 in Appendix 1, a single full-time worker earning the 2020 minimum wage has an after-tax and benefits income **below** the Low-Income Measure (LIM) in every province and territory. The size of the gap ranges from approximately \$600 in Alberta to over \$5,300 in Manitoba.⁴

⁴ Using the lower MBM measure, workers in cities remain in poverty except in Quebec and using the low – generally rural – MBM sees workers lifted above the MBM poverty line in Ontario, Quebec, Alberta and BC.

Under the proposed Canada Essential Workers Benefit, full-time essential workers earning minimum wage see after-benefit income increases of up to 25 per cent and exceed the LIM in every jurisdiction except Manitoba⁵.

These scenarios demonstrate how the Canada Essential Workers Benefit would work.⁶

Scenario 1

- Li-Kim is an entry-level personal support worker in Vancouver, British Columbia earning \$31,000. The CEWB increases her after-tax income by \$3,360, a 13 per cent increase.

Scenario 2

- Giselle works in a seniors' long-term care facility in Northern, New Brunswick. She earns an entry-level wage of \$29,960. Her \$3,610 CEWB increases her after-tax and benefits income by 14 per cent.

Scenario 3

- Samara is starting an entry-level early childhood educator (ECE) position in Toronto, Ontario paying \$28,000. After taxes and benefits, her net income is less than \$500 above the poverty line. Her CEWB of \$4,080 is an after-tax and benefit increase of 17 per cent.

Scenario 4

- Gordon is starting a new job as a grocery clerk in Regina, Saskatchewan earning \$23,195. After taxes and benefits his take-home income leaves him almost \$3,700 below the poverty line. His \$4,800 CEWB is a 23 per cent increase and raises him more than \$1,100 above the poverty line.

For full-time mid-level workers in essential roles earning in the mid-to-high \$30,000s, after-tax and benefit incomes rise from 7 per cent to 15 per cent.

Many workers in essential roles work part-time hours. For these workers, the CEWB and related refundable Employment, CPP & EI contributions and a new refundable credit for Employer Paid Benefits provide even larger increases in after-tax and benefit income.

⁵The CEWB allows all workers to exceed the MBM measure in every Province.

⁶See Appendix 2: Scenario and Benefit Calculations.

Scenario 5

- Samson works 15 hours a week at a food distribution warehouse in Brampton, Ontario for \$14/hour. He is able to work 48 weeks per year and earns \$10,080. He receives the Canada Workers Benefit, pays CPP and EI, and takes home slightly more than \$11,500.

Because his earnings are below the basic exemption amount, the CPP, EI and Employment non-refundable credits are of no value to him. Under the Murray Program, these become refundable and deliver an extra \$258. He also gets refundable credits for the CPP and EI paid by his employer that add another \$95. These along with the CEWB add more than \$5,150 to his take-home pay, an increase of almost 45 per cent.

Scenario 6

- Maria is a part-time Early Childhood Educator earning \$21/hour working in an after-school program in Halifax, Nova Scotia. She works 10 months a year and makes \$16,170. The CEWB increases her after-tax and benefit income by 29 per cent.

Many essential workers, especially those in the care sector (child care, long-term care and personal support workers) are women and often mothers. As shown in Table 3, today a full-time minimum wage worker who is a lone parent of an 8-year-old lives above the LIM only in Alberta and only then if she has free child care.⁷

As shown in Table 4, the CEWB, Family Benefit and other refundable credits in the Murray Program serve to lift a single parent working full time for minimum wage well above the LIM poverty line with enough to cover most of the average cost of after-school child care.

⁷ As measured by the MBM, such a parent lives above the poverty line only if they live in rural areas and have free or very low child-care costs. For urban areas, they are in poverty by the MBM measure everywhere except Alberta and Quebec and, everywhere except Quebec, child care is a cost they will have difficulty covering.

Canada Family Benefit

Too often, families face a severe economic impact when child care is not available. In many ways, the health crisis has made the pre-existing inadequacy of child care in Canada apparent to all. Many have called it a “she-cession” in which women, and especially women with children, have borne a far from equal share of the burden of child care while working from home. Female labour force participation is at a four-decade low, and women are confronting the choice of continuing with their careers or abandoning them to provide full-time care for their children.

Families with children face an uncertain return to school, the need to create safe child care options, and the need to provide families with financial support.

Responding to this crisis requires at least three initiatives.

First, funding is required to ensure existing child care operations meet heightened safety standards to meet public health requirements. To support this urgent need, the federal Government should create a **Child-Care Building Fund** of \$10 billion, allocated over four years, and administered by provinces and municipalities and indigenous communities. The Fund would provide interest-free loans⁸, with the federal Government covering the initial borrowing cost. At today’s historic low interest rates⁹, the annual borrowing cost to create the Fund is less than \$50 million. Over 20 years the Federal Government would also annually transfer to operators 50 per cent of the amount borrowed -- \$250 million per year effectively forgiving 50 per cent of the initial amount borrowed.¹⁰

Second, child-care workers need better compensation for the critical work they do. Today, entry-level early childhood education workers (ECE) barely keep enough after-tax and benefits income to live above the poverty line. The situation is not much better for established child-care workers. The Canada Essential Workers Benefit significantly addresses the need to better respect the value of the work performed.

Third, families with children are the most likely to see household income drop because of the COVID-19 crisis. Families require immediate financial support. The Canada Family Benefit will not require a family to spend the Benefit on formal child care.

For those families that do have access to safe child care, the Canada Family Benefit delivers better and more focused support for most families than the current partial tax deduction for child-care expenses.

⁸ Since amounts lent to providers would be an asset of the federal Government equal to the amount borrowed by the federal Government there would be no net impact to the national debt.

⁹ In June 2020, the average interest rate on five- and 10-year bonds was 0.46 per cent.

¹⁰ New provincial tax revenue created by the Glen Murray Program would be more than enough to cover the other 50 per cent of the principal payments over an extended period of time.

The Canada Family Benefit, when combined with other benefits in the Glen Murray Program, serves to lift almost all families with children to within 90 per cent of, or above, the Low-Income Measure of poverty.

Where families remain below the LIM, provincial and territorial child benefits and sales tax rebates should cover any remaining need. Most Canadians live in provinces and territories with these as existing benefits. The provinces and territories will see significant increases in their own revenue because of the Glen Murray Program. These additional resources are more than enough to enable partner governments to increase their own programs to end poverty level incomes now.

Beneficiaries	5 million children
Maximum Benefit	\$6,000 per child through the age of 4 \$3,000 per child aged 5 through 9 \$1,200 per child aged 10 through 12
Delivered through	Existing Canada Child Benefit (CCB) Tax refund for those that do not receive CCB
Taxable?	Yes (but excluded from calculation of HST & CCB benefits)
Refundable Dependant Credit	1.1 million families headed by a sole support parent
Maximum Benefit	\$2,400 in 2021 for incomes below \$150,000
Refundable Spousal/ Common-Law Partner	2,100,000 families
Maximum Benefit	\$1,800 in 2021 for incomes below \$150,000
Delivered through	Tax Refund
Related benefits	
<ul style="list-style-type: none"> ● Refundable Employment & EI and CPP Contributions Credit ● Refundable Employer Benefit Credit ● Canada Learning Benefit ● Canada Essential Workers Benefit 	

Examples¹¹

Scenario 1

- Michael and Tina earn \$42,000 and \$32,000 and have one child, aged seven. They live in Hinton, Alberta. Child-care costs \$650 per month.

¹¹ See Appendix 2.

- Under the Glen Murray Program, after taxes and benefits, this couple is ahead \$1,812. If Tina is also an essential worker, they are ahead \$4,932.
- The pandemic has seen them lose child care and Tina's hours have been reduced by half. Under the current tax and benefit system, these changes would see their available income reduced by almost \$5,000 to just under \$54,000.
 - Under the Glen Murray Program, they would have at least \$56,500 and \$61,350 if Tina is an Essential Worker.

Scenario 2

- Frank and Sarah make \$85,000 and \$55,000 and live in Campbell River, British Columbia. They have two children aged six and 10. Annual child-care costs are \$10,800. (\$600/month for the six-year-old and \$300/month for the 10-year-old).
 - Under the Glen Murray Program, the annual saving for this family is just under \$1,000.

Scenario 3

- Cecelia is a single parent with one child, aged four, who lives in Winnipeg, Manitoba. She earns \$15,000 a year, and has after-tax and benefit income of \$21,543, which is more than \$12,500 below LIM poverty level.
 - With the Family Benefit, after-tax and benefit income increases to \$28,912. If Cecelia is an essential worker, income increases to \$33,712.

Scenario 4

- Michelle and Anne make \$35,000 each and live in Montreal, Quebec. They have two children, aged six and 10. Annual child-care costs are \$4,356 as they benefit from Quebec's affordable child-care system.
 - Under the Glen Murray Program, annual savings for this family are almost \$1,850. If either Michelle or Anne are essential workers they would also receive an additional \$2,400.

Scenario 5

- Chris is a sole support parent of a 4-year-old living in Corner Brook, Newfoundland & Labrador. They have just under \$24,000 after social assistance and child benefits, placing the family of two at 70 per cent of the LIM and 77 per cent of the MBM.

- Under the Glen Murray Program, the refundable dependant credit and the Family Benefit will increase their income by \$8,400 to almost \$32,200 placing them at 94 per cent of the LIM and 104 per cent of the MBM.

Scenario 6

- Manuel and his family are new Canadians. He is the sole earner with a spouse, four children and no child care. The family lives in Charlottetown, Prince Edward Island. There are four children, twins aged 3, a six-and a 10-year-old. For this family of six, the LIM is \$59,236. The MBM for Charlottetown is \$51,846. By either measure, this family lives well below the poverty line.
 - Manuel earns \$23,387 (Minimum wage of \$12.85). After federal tax and benefits, this family has \$47,668.
 - Under the Glen Murray Program this would increase to \$63,115 with the Family Benefit. Annual income would increase to \$67,915 with the Canada Essential Workers Benefit. The family would also be able to afford child care for at least their older children.
- If Manuel earned \$40,000, after-tax and benefits for this family is \$59,189, increasing to \$74,135 with the Family Benefit and to \$75,335 with the Canada Essential Workers Benefit.

Canada Learning Benefit

Full-time undergraduate fees for university can reach as high as \$8,500 and average \$6,500 and for college \$4,500. Part-time fees for university average \$3,850 and \$2,500 for college.

Under the Glen Murray Program, full-time students from households with income up to \$50,000 would receive federal support equal to or greater than tuition, and for part-time students this would be true for all families with incomes up to \$60,000. Amounts for students with dependants and those with permanent disabilities would also double. Eligibility for Canada Study Grants would also be extended to graduate students who are currently ineligible.

The federal Government has doubled the amount available to undergraduate students through the Canada Study Grant program for the upcoming school year. This would be a permanent increase under this Program, supplemented by a new Canada Learning Benefit, a refundable credit that delivers up to \$3,240 to a full or part-time student.

Working with the provinces and territories, a two-year target would be set to ensure combined federal and provincial grant support is greater than average tuition for all households with incomes up to \$100,000.

Beneficiaries	2 million Canadians
Double Canada Study Grants	\$6,000 for full time studies & \$3,600 for part time \$3,200 per dependant under 12 \$4,000 for student with disability Extend eligibility to Graduate Students. Compensation for non-participating jurisdictions required.
Canada Learning Benefit	\$21,600 refundable credit worth up to \$3,240. Current Tuition Credit eliminated. Basic Personal Amount for students eliminated. Federal matching for RESP contributions eliminated.
Delivered through	Existing Student Aid Programs and Tax System
<u>Related benefits</u>	
<ul style="list-style-type: none"> ● Refundable Employment Credit for students with income ● Refundable Employer Benefit Credit for students with income ● Recipients also eligible for Canada Family Benefit for students with children 	

Students with part-time employment earnings would also benefit from the Employment and EI/CPP premium credits being refundable and from the Employer Benefit refundable credit. For a student earning \$5,000, this would add \$235 and for a student earning \$10,000, this would add \$342.

The proposed Learning Benefit would shift Canadian families closer to the Green Party commitment to eliminate tuition fees. Students with children and those with permanent

disabilities would also see greater benefits from the increased Canada Study Grant program and the Murray Program's Canada Family Benefit and Canada Care Benefit.

Scenario 1

- Aram is in school part-time in Alberta. His tuition and fees are \$4,600. He lives with his parents in Calgary. Their family household income is \$45,000 and he earns \$6,000 each summer working as a lifeguard. Last year he received \$3,416 in Federal support consisting of a Canada Study Grant of \$1,800 and tax benefits of \$1,666 from the HST credit, the Canada Workers Benefit and by transferring his tuition to his father. This does not cover his tuition costs of \$4,500.

Although the basic personal amount, the employment credit, and the CPP & EI credit total in excess of \$13,500, he derives no benefit from \$7,300 of these. Under the new Canada Learning Benefit, Aram receives a Canada Study Grant of \$3,600 and total tax delivered benefits of \$3,523 for total federal support of \$7,123 that is more than his tuition and an increase in total support of 109 per cent.

Scenario 2

- Maree studies forestry full-time in Thunder Bay, Ontario with tuition and mandatory fees of \$8,400. She lives with her parents and has two younger brothers in high school. Her parents' household income is \$75,000. Last year she received federal grant support of \$2,797 and \$1,046 from the HST credit and transferring her tuition credit to her parents. Under the Canada Learning Benefit, she receives almost 140 per cent more in support with a study grant of \$5,594 and tax benefits of \$3,536. Her federal support of \$9,130 exceeds the cost of her tuition and fees.

Canada Seniors Benefit

Poverty among seniors increased during the 2007-2010 financial crisis. Canada needs to ensure poverty does not increase because of the pandemic-driven economic slowdown.

According to [Statistics Canada](#), the LIM rate for Canadian seniors rose from 12.2 per cent in 2012 to 15.4 per cent in 2017. Seniors' incomes are falling into the low-income category at a faster rate than the rest of the population, according to the [Broadbent Institute](#). While the low-income rate has actually declined among Canadians under 65, it has spiked for seniors, reversing a 20-year trend. Poorest seniors tend to be single and most are women.

Current basic seniors' income (Old Age Security (OAS), Guaranteed Income Supplement (GIS) harmonized sales tax rebate (HST)) is almost \$5,400 below the LIM poverty measure for singles and more than \$5,600 for couples.¹² A single senior with an average CPP pension is still almost \$1,200 below the LIM poverty measure. Planned enhancements to the Canada Pension Plan benefits (CPP) help, but not in the short term.

The current federal Government has committed to increase the GIS for single seniors, but the main policy focus has been on creating incentives for low-income seniors to return to the labour force, through increases to earnings exemptions before the GIS claw-back. From 1995 to 2015, when poverty rates started to increase, older Canadians stayed or re-entered the labour force in greater numbers.

From 2006 to 2013, over 300,000 more seniors joined the labour force - a 96 per cent increase. A seniors' poverty reduction strategy that relies on returning to the labour force is not a safe option during a pandemic, and has always been an untenable strategy for many older seniors and those with health or mobility issues.

Increase the GIS to \$14,000

Beneficiaries	2.2 million seniors
Maximum Benefit	\$3,600 for a single senior \$760 for a senior couple

Canada Seniors Credit

	A refundable credit of \$3,600
Beneficiaries	Approximately 5.5 million seniors with income under \$69,000
Delivered through	Existing GIS and tax systems

Related benefits

- Refundable Employment Credit for seniors in work force
- Refundable Employer Benefit Credit for seniors in work force

¹² As measured by the MBM, single seniors live in poverty in 51 of 53 Canadian areas measured and senior couples in 40 of 53.

The proposed Seniors Benefit would increase annual income for a single senior with no pension by almost \$5,500 annually and for a couple with no pension, an increase of more than \$5,750 annually.

For a single pensioner with average CPP, annual income would rise by almost \$4,250 and for a couple with average CPP by more than \$3,240. The median seniors' income in 2017 was \$28,000. The Canada Seniors Benefit would save the median senior \$365 in taxes, and a couple would save \$730. These savings would hold for seniors earning up to approximately \$70,000. In 2017, almost 85 per cent of seniors had income below this amount.

Scenario 1:

- Mary and Bill, both 70, rely on modest CPP pensions of \$8,364 each and OAS. They rent an apartment in Toronto, Ontario for \$1,200 per month. Under the Glen Murray Program, the Seniors Benefit provides their household more than \$3,200 more per year.

Scenario 2:

- Jean, 76, lives alone in Saint John, New Brunswick. She owns her own home and relies on a small teachers' pension of \$12,000, CPP of \$9,000 and OAS including a small GIS amount of \$678 per year. Under the Glen Murray Program, the Canada Seniors Benefit increases her income by more than \$3,300 per year including an increase in her GIS payment to \$3,681 per year.

Canada Care Supplement and Canada Care Benefit

Canadians living with disabilities are among our most vulnerable fellow citizens at all times and this is true especially now as Canada confronts unprecedented health challenges. Today, income levels for Canadians living on provincial disability benefits are substantially below the LIM poverty level.

A single person in Ontario living on provincial disability and sales tax rebates receives less than just over 60 per cent of the LIM. Rates in other provinces are generally lower than in Ontario. Because existing federal credits are only valuable if a person has taxable income they are of no value to persons on disability assistance. The substantial differences in eligibility requirements also mean only those with the most severe disabilities qualify for the federal benefit.

For couple-based families where one person receives the Ontario Disability Support Program (ODSP), current benefits and rebates cover less than 65 per cent of the LIM in Ontario. The coverage level is well below this for most other provinces. Including child benefits, couple families with children generally achieve 75 per cent to just under 80 per cent of LIM. Single parents with 1 child, depending on the child's age, fare slightly better achieving 85 per cent to 88 per cent of the LIM.

The **Canada Care Supplement and Canada Disability Supplement** will ensure persons on average provincial disability are raised to at least 90 per cent of the LIM and those with children are raised above the LIM. Cases that do not qualify for the Canada Care Benefit will receive \$7,200 and those eligible for the Canada Care Benefit will receive \$3,600.

The Canada Care Benefit will replace the existing Disability Tax Credit. Canadians eligible for this will receive a new refundable credit worth up to \$3,600.

For families caring for children with disabilities the Glen Murray Program creates a refundable credit of \$3,600 and extends the eligibility age from the current age of 18 to 25.

Many plans to create a GLI or move towards enhanced social supports involve reducing or eliminating existing programs. The Glen Murray Program does not require or envision the elimination of any provincial or federal support.

A Green Party led by Glen Murray would support the expansion of the Canada Care Benefit in consultation and co-operation with willing provincial, territorial and indigenous governments to see the Federal Government assume primary support for the provision of income support to persons with disabilities comparable to the Federal role in the provision of income support for seniors and children.

Canada Disability Supplement Benefit	All Provincial Disability Assistance cases \$3,600 per case
Canada Care Supplement Benefit	\$3,600 per case if ineligible for Canada Care Benefit
Delivered through	Provincial & Territorial Assistance Programs
Canada Care Benefit	
Beneficiaries	800,000 adults 300,000 children and 120,000 adults aged 19 - 25
Maximum Benefit	\$3,600
Delivered through	Tax refund
<u>Related benefits</u>	
<ul style="list-style-type: none"> ● Refundable Employment Credit & Refundable Employer Benefit Credit ● Recipients also eligible for Canada Family Benefit ● Recipients also eligible for Canada Learning Benefit 	

Scenario 1

- Christopher, a single person receiving disability benefits in Ontario is not eligible for the federal disability credit and currently has a total income of \$14,636. They would see an increase of \$7,200 from the Canada Care Supplement increasing their income to \$21,836 raising them from 61 per cent of the LIM to over 90 per cent of the LIM.

Scenario 2

- A couple living in Ontario, with one person receiving disability allowance and eligible for the federal disability credit, would see an increase of \$9,000 from the Care Benefit and Supplement and the new refundable spousal/common law partner credit, raising them from 65 per cent of the LIM to more than 91 per cent of the LIM.

Scenario 3

- Desmond is a part-time college student and lives in Whitehorse, Yukon. Total income from the Canada Care Benefit and the Canada Learning Benefit (after paying tuition) would be close to 165 per cent of LIM for a single person.

Scenario 4

- The Canada Care Supplement and Family Benefit raise a couple with one child living in Kingston, Ontario to between 104 per cent and 114 per cent of LIM depending on the child's age.

A new partnership for basic social assistance

Poverty in Canada cannot be eliminated without transformative enhancement to the support provided are most vulnerable who survive, often barely, on social assistance. Income support alone cannot solve poverty but it is a necessary precondition. It is also an area where federal-provincial-territorial (and municipal) governments have a great opportunity to co-ordinate and improve support to our most vulnerable.

The Canada Care Benefit and related efforts will significantly close the LIM gap for persons in receipt of provincial disability support. The Glen Murray Program also provides many new supports that can benefit those in receipt of basic social assistance. Those now receiving employment income in essential services will benefit from the Canada Essential Workers Benefit.

Increases to Canada Study Grants, the creation of the Canada Learning Benefit and refundable credits to support low-income workers will all benefit persons receiving social assistance who pursue education or employment.

The Canada Family Benefit will lift all families receiving assistance closer to the LIM. A lone parent with one child under five, living on provincial social assistance today, has an income between 53 per cent and 69 per cent of LIM for a family of two. In the territories, such a parent is above the LIM in both the NWT and the Yukon but well below in Nunavut.

As shown in Scenario 1, Appendix 2, under the Glen Murray Program, Meredith, a lone parent of one child under five would be raised to more than 80 per cent of LIM in every province (except Nova Scotia and Nunavut) and territory and close to 90 per cent in the largest provinces. With the Canada Learning Benefit, Canada Essential Workers Benefit, Canada Social Grant or Canada Work Grant she would be able to cover the remaining gap below the LIM.

Where families remain below the LIM, provincial and territorial child benefits and sales tax rebates should be used to cover any remaining need. Most Canadians live in provinces and territories with these as existing benefits. The provinces and territories will see significant increases in their own revenue because of the Glen Murray Program. These additional resources are more than sufficient to ensure all children live in families above the LIM.

For those receiving assistance who do not have children, however, significant challenges remain which can only be addressed in close co-operation with provincial and territorial programs.

Social Assistance in Canada for those considered capable of labour force participation is nothing short of cruel. Support levels are insufficient, claw back rates discourage work and the risk of losing related benefits more often than not means it is better for a recipient to remain within a “welfare trap” than pursue opportunities for employment that may arise.

The Maytree organization tracks social assistance rates and policies across the country. Their Social Assistance Summaries, updated regularly, and the related Welfare in Canada report show the painful inadequacy of current levels of support.

Provincial Benefits - 2018						
	Single Person	LIM	Single parent one child	LIM	Couple with two children	LIM
BC	\$8,760	36%	\$13,622	40%	\$15,266	32%
Alberta	\$7,824	32%	\$12,767	37%	\$17,497	36%
Sask	\$8,601	36%	\$13,927	41%	\$18,214	38%
Man	\$9,474	39%	\$14,604	43%	\$18,177	38%
ON	\$9,364	39%	\$14,303	42%	\$19,257	40%
QC	\$9,038	37%	\$14,707	43%	\$18,713	39%
NB	\$6,844	28%	\$12,818	37%	\$14,764	31%
NS	\$7,155	30%	\$11,080	32%	\$16,015	33%
PEI	\$10,163	42%	\$13,817	40%	\$21,016	43%
NF	\$11,068	46%	\$16,276	48%	\$17,555	36%
NU	\$7,500	31%	\$10,938	32%	\$17,820	37%
NWT	\$21,733	90%	\$27,287	80%	\$33,826	70%
YUK	\$17,663	73%	\$26,843	78%	\$38,748	80%
LIM	\$24,183		\$34,200	100%	\$48,366	100%

Given current minimum wage levels and the monthly reduction of benefits for earnings above a generally very low monthly threshold, there is little incentive for those on assistance to take work as it becomes available. This is especially true where work opportunities are seasonal. The expectation that work will be taken is more challenging for families without the means to afford child care, especially lone parent families.

The Glen Murray Program to End Poverty Now offers provinces and territories a new partnership to support training and entry into the labour force for Canadians in receipt of basic social assistance.

To support education and training, a person in receipt of general assistance benefits would receive the Canada Study Grants and Learning Benefit for college and university study.

Scenario 2 shows the benefit of the proposed new **Canada Social Grant**. This new grant program provides \$300 per case per month and sees the income of a part-time college student receiving social assistance increased to over 75 per cent of the LIM everywhere except New Brunswick and Nova Scotia. Part-time earnings to cover the remaining gap are far more realistic than the current financial gap faced by students.

The **Canada Social Grants** would also be available to those pursuing high school equivalency and other skills or training as determined by provincial and territorial programs. The Canada Learning Benefit would also be extended to cover such cases.

This would bring most recipients above 60 per cent of LIM. Increasing provincial and territorial support for such beneficiaries to at least 75 per cent of LIM should be a priority when decisions about new provincial revenue are made.

The creation of real incentives for persons in receipt of basic social assistance to take work is the focus of a new **Canada Work Grant** designed to allow more employment income to be kept before social benefits are reduced. At present, provinces and territories allow a small amount to be earned each month ranging from \$200 to \$400. Above this amount, benefits are generally reduced by 50 per cent. Because the determination is made monthly, there is a disincentive for someone to accept seasonal or piece work that arises which may provide employment opportunities that would see all monthly benefits eliminated.

Scenario 3 shows the current claw back regime and its impact on a single person on Ontario Works in Ontario.

The new **Canada Work Grant** would be available to provinces and territories that set basic social assistance rates so that they meet or exceed 40 per cent of the relevant LIM.

A second condition would be that clients can earn \$7,200 annually without any reduction in benefits. Each month that earnings occur an amount equal to 50 per cent would be payable to the provincial or territorial assistance provider by the Federal Government to a maximum of \$3,600. The province or territory could retain some or all of this or share with the client.

Above the \$7,200 threshold, earnings would be reduced by the provincial or territorial provider by no more than 65 per cent.

For those on basic social assistance, this new **Canada Work Grant** and the refundable credits to support low income workers would make it possible to have total income above the LIM.

Scenario 4 illustrates the Canada Work Grant. In Ontario someone working 15 hours weekly at minimum wage would be raised to 78 per cent of the LIM if the province retained the Canada Work Grant and 93 per cent if it was passed to the client. If eligible for the Canada Essential Workers Benefit, these rates would be increased to 95 per cent and 110 per cent.

Impact on provincial revenue

The Federal Government collects personal income taxes for all Provinces and Territories except Quebec. For the most part, Quebec's tax code mirrors that of the Federal Government with respect to deductions and the determination of taxable income. It is not assumed that the Provinces mirror the move to create refundable credits. It is assumed that provincial and territorial non-refundable credits administered by the Federal Government will remain unless requested otherwise by the affected jurisdiction.

As the common collector of taxes, the Federal Government would continue to allow child-care expenses to be a deduction for the purposes of provincial income tax and (in some cases like Ontario) related benefits.

The changes to deductions and exemptions outlined in this Program serve to increase the shared tax base. Approximately \$36 billion in new federal revenue is the expected result of these changes. As detailed above, all of this is returned to Canadians through the tax and benefits in the Glen Murray Program. An additional approximately \$14.4 billion in corporate tax is assumed from changes to the common corporate tax base. Assuming the total in provincial personal taxes collected is at least 50% of the amount raised in Federal taxes¹³ and 25% of the Federal levy of Corporate tax it can be assumed that Provinces and Territories would see a net increase in their own revenues of approximately \$21.4 billion.

Consistency with current practice would suggest that Provinces would, at the very least create non-refundable credits for the new Employer Paid CPP and EI Taxable Benefits that is added to income as a taxable benefit. The same would also probably be the case for the various deductions converted to credits. The model assumes that provincial and territorial measures to provide such credits will reduce their increased tax revenues by at least \$3.6 billion.

Benefit alignment strategy

Provinces and territories will have more than \$17.5 billion more in new revenue. It is clear that provincial and territorial partners will have the means to work with the Federal Government to address gaps and create administrative excellence in the delivery of support to Canadians.

The Glen Murray Program provides the chance for bilateral arrangements with willing provincial and territorial partners to fine-tune the proposed programs to best meet and align with provincial priorities. Such efforts will focus on ensuring groups not raised above the LIM are assisted.

¹³ In 2017 the amount was 44% excluding Quebec's separate system. Allowing for Quebec's taxes it is reasonable to assume provincial and territorial income taxes are at least 50% of the federal amount raised.

Appendix 1

Table 2. Canada Essential Workers Benefit

As of 1 October 2020						MBM GAP					
	Minimum Wage	FT Annual*	Tax/ CPP/EI/ Benefits*	After Tax & Benefits	LIM GAP	High	Low	CEWB	After Tax & Benefits	+	LIM GAP
BC	\$14.60	\$ 26,572	-\$3,270	\$23,302	-\$881	-\$1,036	\$2,571	\$4,423	\$27,725	19%	\$3,542
AB	\$15.00	\$ 27,300	-\$3,734	\$23,566	-\$617	-\$609	\$1,129	\$4,248	\$27,814	18%	\$3,631
SK	\$11.45	\$ 20,839	-\$1,399	\$19,440	-\$4,743	-\$3,386	-\$700	\$4,800	\$24,240	25%	\$57
Man	\$11.90	\$ 21,658	-\$2,789	\$18,869	-\$5,314	-\$3,146	-\$608	\$4,800	\$23,669	25%	-\$514
ON	\$14.25	\$ 25,935	-\$2,906	\$23,029	-\$1,154	-\$1,042	\$2,741	\$4,576	\$27,604	20%	\$3,421
QC	\$13.10	\$ 23,842	-\$2,850	\$20,992	-\$3,191	\$912	\$2,294	\$4,800	\$25,792	23%	\$1,609
NB	\$11.70	\$ 21,294	-\$1,627	\$19,667	-\$4,516	-\$2,286	-\$716	\$4,800	\$24,467	24%	\$284
NS	\$12.55	\$ 22,841	-\$2,650	\$20,191	-\$3,992	-\$2,408	-\$576	\$4,800	\$24,991	24%	\$808
NF	\$12.15	\$ 22,113	-\$1,756	\$20,357	-\$3,826	-\$2,047	-\$913	\$4,800	\$25,157	24%	\$974
PEI	\$12.85	\$ 23,387	-\$3,320	\$20,067	-\$4,116	-\$1,536	-\$693	\$4,800	\$24,867	24%	\$684
NU	\$13.00	\$ 23,660	-\$1,632	\$22,028	-\$2,155	NA	NA	\$4,800	\$26,828	22%	\$2,645
NW T	\$13.46	\$ 24,497	-\$2,543	\$21,954	-\$2,229	NA	NA	\$4,800	\$26,754	22%	\$2,571
YK	\$13.71	\$ 24,952	-\$3,270	\$21,682	-\$2,501	NA	NA	\$4,800	\$26,482	22%	\$2,299

* Assume 35hrs/week for 52 weeks **2019 Tax and Benefit Amounts including sales tax rebates

Table 3. Full Time Minimum Wage Single Parent with eight-year-old child

As of 1 October 2020			Single Parent with 1 child aged 8				
	Minimum Wage	FT Annual*	Tax/ CPP/EI/Benefits**	After Tax & Benefits	LIM GAP	MBM GAP High	MBM GAP Low
BC	\$ 14.60	\$ 26,572	\$ 6,226	\$ 32,798	-\$1,402	-\$1,276	\$3,774
AB	\$ 15.00	\$ 27,300	\$ 7,612	\$ 34,912	\$712	\$1,067	\$3,500
SK	\$ 11.45	\$ 20,839	\$ 7,685	\$ 28,524	-\$5,676	-\$3,432	\$328
Man	\$ 11.90	\$ 21,658	\$ 6,840	\$ 28,498	-\$5,702	-\$2,323	\$1,230
ON	\$ 14.25	\$ 25,935	\$ 7,467	\$ 33,402	-\$798	-\$298	\$4,999
QC	\$ 13.10	\$ 23,842	\$ 6,079	\$ 29,921	-\$4,279	\$1,809	\$3,743
NB	\$ 11.70	\$ 21,294	\$ 7,957	\$ 29,251	-\$4,949	-\$1,483	\$715
NS	\$ 12.55	\$ 22,841	\$ 7,181	\$ 30,022	-\$4,178	-\$1,616	\$949
NF	\$ 12.15	\$ 22,113	\$ 7,571	\$ 29,684	-\$4,516	-\$1,681	-\$93
PEI	\$ 12.85	\$ 23,387	\$ 6,569	\$ 29,956	-\$4,244	-\$288	\$892
NU	\$ 13.00	\$ 23,660	\$ 7,519	\$ 31,179	-\$3,021		
NWT	\$ 13.46	\$ 24,497	\$ 7,429	\$ 31,926	-\$2,274		
YK	\$ 13.71	\$ 24,952	\$ 7,045	\$ 31,997	-\$2,203		

* Assume 35hrs/week for 52 weeks **2019 Amounts

Table 4: Full Time Minimum Wage Single Parent with eight-year-old child under Murray Program

As of 1 October 2020			Murray Program				
	Minimum Wage	FT Annual*	CEWB	Family Benefit	After Tax & Benefits**	Increase	LIM GAP
BC	\$ 14.60	\$ 26,572	\$4,423	\$3,000	\$40,424	23%	\$6,224
AB	\$ 15.00	\$ 27,300	\$4,248	\$3,000	\$42,305	21%	\$8,105
SK	\$ 11.45	\$ 20,839	\$4,800	\$3,000	\$37,329	31%	\$3,129
Man	\$ 11.90	\$ 21,658	\$4,800	\$3,000	\$37,188	30%	\$2,988
ON	\$ 14.25	\$ 25,935	\$4,576	\$3,000	\$41,271	24%	\$7,071
QC	\$ 13.10	\$ 23,842	\$4,800	\$3,000	\$38,306	28%	\$4,106
NB	\$ 11.70	\$ 21,294	\$4,800	\$3,000	\$37,993	30%	\$3,793
NS	\$ 12.55	\$ 22,841	\$4,800	\$3,000	\$38,546	28%	\$4,346
NF	\$ 12.15	\$ 22,113	\$4,800	\$3,000	\$38,311	29%	\$4,111
PEI	\$ 12.85	\$ 23,387	\$4,800	\$3,000	\$38,404	28%	\$4,204
NU	\$ 13.00	\$ 23,660	\$4,800	\$3,000	\$39,590	27%	\$5,390
NWT	\$ 13.46	\$ 24,497	\$4,800	\$3,000	\$40,220	26%	\$6,020
YK	\$ 13.71	\$ 24,952	\$4,800	\$3,000	\$40,227	26%	\$6,027

* Assume 35hrs/week for 52 weeks **2019 Amounts

Appendix 2

Scenario and Benefit Calculations for the End Poverty Now Program

Canada Essential Workers Benefit

Scenario 1: Li-Kim is an entry-level personal support worker in Vancouver, British Columbia.

Scenario 1	Current	Murray Plan	Change
Earned Income	\$ 31,000	\$31,000	
CEWB		\$4,800	
Reduction above \$25k		-\$ 1,440	
TAX & CPP/EI	-\$5,110	-\$5,110	
FEDERAL BENEFITS	\$451	\$451	
PROVINCIAL BENEFITS	\$174	\$174	
AFTER TAX & BENEFITS	\$ 26,515	\$29,875	
CHANGE		\$3,360	13%
LIM	\$ 24,183	\$24,183	

Scenario 2: Giselle works in a seniors' long-term care facility in Northern, New Brunswick.

Scenario 2	Current	Murray Plan	Change
Earned Income	\$ 29,960	\$29,960	
CEWB		\$4,800	
Reduction above \$25k		-\$ 1,190	
TAX & CPP/EI	-\$5,538	-\$5,538	
FEDERAL BENEFITS	\$451	\$451	
PROVINCIAL BENEFITS	\$300	\$300	
AFTER TAX & BENEFITS	\$ 25,173	\$28,782	
CHANGE		\$3,610	14%
LIM	\$ 24,183	\$24,183	

Scenario 3: Samara is starting an entry-level ECE position in Toronto, Ontario.

Scenario 3	Current	Murray Plan	Change
Earned Income	\$ 28,000	\$28,000	
CEWB		\$4,800	
Reduction above \$25k		-\$ 720	
TAX & CPP/EI	-\$3,980	-\$3,980	
FEDERAL BENEFITS	\$451	\$451	
PROVINCIAL BENEFITS	\$158	\$158	
AFTER TAX & BENEFITS	\$ 24,629	\$28,709	
CHANGE		\$4,080	17%

LIM	\$ 24,183	\$24,183	
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Scenario 4: Gordon is starting a new job as a grocery clerk in Regina, Saskatchewan.

Scenario 4	Current	Murray Plan	Change
Earned Income	\$ 23,195	\$23,195	
CEWB		\$4,800	
TAX & CPP/EI	-\$3,272	-\$3,272	
FEDERAL BENEFITS	\$565	\$565	
PROVINCIAL BENEFITS	\$0	\$0	
AFTER TAX & BENEFITS	\$ 20,488	\$25,288	
CHANGE		\$4,800	23%
LIM	\$ 24,183	\$24,183	

Scenario 5: Samson works 15 hours a week at a warehouse in Brampton, Ontario.

Scenario 5	Current	Murray Plan	Change
Earnings	\$10,080	\$10,080	
HST	\$451	\$451	
Prov credits	\$158	\$158	
Canada Worker Benefit	\$1,355	\$1,355	
Employment Credit		\$183	
CPP/EI contributions credit		\$75	
Employer Benefits Credit		\$95	
CEWB		\$4,800	
CPP/EI	-\$499	-\$499	
Federal Tax	\$0	\$0	
Provincial Tax (ON)	\$0	\$0	
AFTER TAX & BENEFITS	\$11,545	\$16,698	
CHANGE		\$ 5,153	45%

Scenario 6: Maria is a part-time ECE in an after-school program in Halifax, Nova Scotia.

Scenario 6	Current	Murray Plan	Change
Earnings	\$16,170	\$16,170	
HST	\$428	\$428	
Prov credits	\$255	\$255	
Canada Worker Benefit	\$955	\$955	
CEWB		\$4,800	
CPP/EI	-\$908	-\$908	
Federal Tax	-\$297	-\$297	
Provincial Tax (ON)	-\$90	-\$90	
AFTER TAX & BENEFITS	\$16,513	\$21,313	
CHANGE		\$ 4,800	29%

Canada Family Benefit

Scenario 1: Michael and Tina have one child, aged seven. They live in Hinton, Alberta. Child-care costs \$650 per month.

	Current	Proposed	With CEWB	
			Current	Proposed
Earned Income	\$74,000	\$74,000	\$ 74,000	\$74,000
TAX & CPP/EI	-\$10,291	-\$11,479	-\$10,291	-\$11,479
BENEFITS	\$3,011	\$6,011	\$3,011	\$9,131
AFTER TAX & BENEFITS	\$66,720	\$68,532	\$ 66,720	\$71,652
ACTUAL CHILD-CARE COST	-\$7,800	-\$7,800	-\$7,800	-\$7,800
AFTER CHILD CARE	\$58,920	\$60,732	\$ 58,920	\$63,852
CHANGE		\$1,812		\$ 4,932

No Child Care & Reduced Hours.

	Current	Proposed	With CEWB	
			Current	Proposed
Earned Income	\$58,000	\$58,000	\$ 58,000	\$58,000
TAX & CPP/EI	-\$7,725	-\$8,168	-\$7,725	-\$8,168
BENEFITS	\$3,720	\$6,720	\$3,720	\$11,520
AFTER TAX & BENEFITS	\$53,996	\$56,553	\$ 53,996	\$61,353
ACTUAL CHILD-CARE COST	\$0	\$0	\$0	\$0
AFTER CHILD CARE	\$53,996	\$56,553	\$ 53,996	\$61,353
CHANGE		\$2,557		\$ 7,357

Scenario 2: Frank and Sarah make \$85,000 and \$55,000 and live in Campbell River, British Columbia. They have two children aged six and 10. Annual child-care costs are \$10,800.

	Current	Proposed
Earned Income	\$ 140,000	\$ 140,000
TAX & CPP/EI	-\$23,596	-\$26,810
BENEFITS	\$2,736	\$6,936
AFTER TAX & BENEFITS	\$ 119,140	\$ 120,127
ACTUAL CHILD-CARE COST	-\$10,800	-\$10,800
AFTER CHILD CARE	\$ 108,340	\$ 109,327
CHANGE		\$986

Scenario 3: Cecelia is a single parent with one child, aged four, who lives in Winnipeg, Manitoba.

	Current	Proposed	With CEWB	
			Current	Proposed
Earned Income	\$ 15,000	\$15,000	\$15,000	\$15,000
TAX & CPP/EI	-\$830	\$540	-\$830	\$540
BENEFITS	\$7,372	\$13,372	\$7,372	\$18,172
AFTER TAX & BENEFITS	\$ 21,543	\$28,912	\$21,543	\$33,712
CHANGE		\$7,369		\$12,169

Scenario 4: Michelle and Anne live in Montreal, Quebec. They have two children, aged six and 10. Annual child-care costs are \$4,356.

	Current	Proposed
Earned Income	\$70,000	\$70,000
TAX & CPP/EI	-\$8,481	-\$10,832
BENEFITS	\$6,543	\$10,743
AFTER TAX & BENEFITS	\$68,062	\$69,912
CHILD CARE	-\$4,356	-\$4,356
AFTER CHILD CARE	\$63,706	\$65,556
CHANGE		\$1,849

Scenario 5: Chris is a sole support parent of a 4-year-old living in Corner Brook, Newfoundland & Labrador. They have just under \$24,000 after social assistance and child benefits.

	Current	Proposed
SOCIAL ASSISTANCE	\$15,444	\$ 15,444
TAX & CPP/EI	\$0	\$0
BENEFITS	\$8,343	\$ 16,743
AFTER TAX & BENEFITS	\$23,787	\$ 32,187
CHANGE		\$8,400

Scenario 6: Manuel and his family are new Canadians. He is the sole earner with a spouse, four children and no child care. The family lives in Charlottetown, Prince Edward Island. Manuel earns \$23,387.

	Current	Proposed	With CEWB	
			Current	Proposed
Earned Income	\$23,387	\$23,387	\$23,387	\$23,387
TAX & CPP/EI	-\$1,393	-\$2,145	-\$1,393	-\$2,145
BENEFITS	\$25,674	\$41,874	\$25,674	\$46,674
AFTER TAX & BENEFITS	\$47,668	\$63,115	\$47,668	\$67,915
CHANGE		\$15,448		\$20,248

If Manuel earned \$40,000.

	Current	Proposed	With CEWB	
			Current	Proposed
Earned Income	\$40,000	\$ 40,000	\$40,000	\$40,000
TAX & CPP/EI	-\$4,332	-\$5,586	-\$4,332	-\$5,586
BENEFITS	\$23,521	\$39,721	\$23,521	\$40,921
AFTER TAX & BENEFITS	\$59,189	\$ 74,135	\$59,189	\$75,335
CHILD CARE	\$0	\$0	\$0	\$0
AFTER CHILD CARE	\$59,189	\$ 74,135	\$59,189	\$75,335
CHANGE		\$ 14,946		\$16,146

Canada Learning Benefit

Scenario 1 Aram is a part time student in Alberta. His fees are \$4,600. He lives with his parents in Calgary. Their family household income is \$45,000 and he earns \$6,000 each summer.

Scenario 1	Current	Murray Plan
Student earns	\$6,000	\$6,000
HST Credit	\$296	\$296
Canada Study Grant	\$1,800	\$3,600
Canada Workers Benefit	\$630	\$630
Refundable Employment Credit		\$183
Refundable CPP/EI Credit		\$34
Refundable Employer Benefits Credit		\$40
Non-Refundable Credits	\$900	
Assessed Federal Tax	-\$900	-\$900
Canada Learning Benefit		\$3,240
CPP	-\$131	-\$131
EI	-\$95	-\$95
NET INCOME	\$8,500	\$12,897
CHANGE		\$4,397

Scenario 2: Maree studies forestry full-time in Thunder Bay, Ontario. She lives with her parents and has two younger brothers in high school. Her parents' household income is \$75,000.

Scenario 2	Current	Murray Plan
Student earns	\$0	\$0
HST Credit	\$296	\$296
Canada Study Grant	\$2,797	\$5,594
Credit for Tuition transfer to Parents	\$750	\$0
Canada Learning Benefit	\$0	\$3,240
NET INCOME	\$3,843	\$9,130
CHANGE		\$5,287
FEDERAL SUPPORT	\$3,843	\$9,130

Canada Seniors Benefit

Scenario 1: Mary and Bill, both 70, rely on modest CPP pensions of \$8,364 each and OAS.

Scenario 1	Current	Murray Plan
OAS	\$ 14,725	\$ 14,725
GIS	\$ 4,875	\$ 5,636
CPP	\$ 16,728	\$ 16,728
HST	\$ 592	\$ 592
Tax Refund	\$ -	\$ 2,482
NET	\$ 36,920	\$ 40,163
Change		\$ 3,243

Scenario 2: Jean, 76, lives alone in Saint John, New Brunswick. She relies on a small teachers' pension of \$12,000, CPP of \$9,000 and OAS including a small GIS amount of \$678 per year.

Scenario 2	Current	Murray Plan
OAS	\$ 7,362	\$ 7,362
GIS	\$ 678	\$ 3,681
CPP	\$ 9,000	\$ 9,000
Pension	\$ 12,000	\$ 12,000
HST	\$ 443	\$ 443
Federal Tax	-\$ 964	-\$ 654
NET	\$ 28,519	\$ 31,832
Change		\$ 3,313

Canada Care Supplement & Canada Care Benefit

Scenario 1: Christopher, a single person receiving disability benefits in Ontario.

Scenario 1	Current	Murray Plan
Social Assistance	\$14,028	\$ 14,028
Provincial Tax Credit	\$312	\$ 312
HST	\$296	\$ 296
Canada Care Supplement	0	\$ 7,200
TOTAL INCOME	\$14,636	\$ 21,836
LIM	\$24,183	\$ 24,183
As % of LIM	61%	90%
LIM GAP	-\$9,547	-\$ 2,347

Scenario 2: A couple living in Ontario, with one person receiving disability allowance and eligible for the federal disability credit.

Scenario 2	Current	Murray Plan
Social Assistance	\$21,000	\$21,000
Provincial Tax Credit	\$626	\$626
HST	\$592	\$592
Canada Care Supplement	\$ -	\$3,600
Canada Care Benefit	\$ -	\$3,600
Refundable Tax Credits	\$ -	\$1,800
TOTAL INCOME	\$22,218	\$31,218
LIM	\$34,200	\$34,200
As % of LIM	65%	91%
LIM GAP	-\$ 11,982	-\$2,982

Scenario 3: Desmond is a part-time college student and lives in Whitehorse, Yukon.

Scenario 3	Current	Murray Plan
Social Assistance (2018 amount)	\$21,317	\$ 21,317
HST	\$296	\$ 296
Canada Care Supplement		\$ 7,200
Canada Learning Benefit		\$ 3,240
Canada Study Grant	\$3,800	\$ 7,600
Tuition & Fees	-\$2,500	-\$ 2,500
TOTAL INCOME	\$25,413	\$ 39,653
LIM	\$24,183	\$ 24,183
As % of LIM	105%	164%
LIM GAP	\$1,230	\$ 15,470

Scenario 4: The Canada Care Supplement and Family Benefit raise a couple with one child living in Kingston, Ontario to between 101 per cent and 111 per cent of LIM.

Scenario 4 - Child Aged 4	Current	Murray Plan
Social Assistance	\$23,184	\$23,184
Provincial Child/Sales Tax	\$2,400	\$2,400
HST	\$747	\$747
Canada Child Benefit - 4 year old	\$6,765	\$6,765
Canada Care Supplement		\$7,200
Canada Family Benefit - 4 year old		\$6,000
Refundable Dependant Credit		\$1,350
TOTAL INCOME	\$33,096	\$47,646
LIM	\$41,886	\$41,886
As % of LIM	79%	114%
LIM GAP	-\$8,790	\$5,760

Scenario 4 - Child Aged 8	Current	Murray Plan
Social Assistance	\$23,184	\$23,184
Provincial Child/Sales Tax	\$2,400	\$2,400
HST	\$747	\$747
Canada Child Benefit - 8 year old	\$5,708	\$5,708
Canada Care Supplement		\$7,200
Canada Family Benefit - 8 year old		\$3,000
Refundable Dependant Credit		\$1,350
TOTAL INCOME	\$32,039	\$43,589
LIM	\$41,886	\$41,886
As % of LIM	76%	104%
LIM GAP	-\$9,847	\$1,703

New Approach to Social Assistance

Scenario 1: Meredith, a lone parent of one child under five.

Lone Parent of 1 based on 2018 Rates & Benefits									
	Provincia	Federa	Total	Share	Dependant	Family	New	TOTAL	
	l	l		of LIM	Credit	Benefit			
BC	\$13,622	\$7,160	\$20,782	61%	\$2,400	\$6,000	\$8,400	\$29,182	85%
AB	\$12,767	\$7,160	\$19,927	58%	\$2,400	\$6,000	\$8,400	\$28,327	83%
SK	\$13,927	\$7,160	\$21,087	62%	\$2,400	\$6,000	\$8,400	\$29,487	86%
MN	\$14,604	\$7,160	\$21,764	64%	\$2,400	\$6,000	\$8,400	\$30,164	88%
ON	\$14,303	\$7,160	\$21,463	63%	\$2,400	\$6,000	\$8,400	\$29,863	87%
QC	\$14,707	\$7,160	\$21,867	64%	\$2,400	\$6,000	\$8,400	\$30,267	89%
NB	\$12,818	\$7,160	\$19,978	58%	\$2,400	\$6,000	\$8,400	\$28,378	83%
NS	\$11,080	\$7,160	\$18,240	53%	\$2,400	\$6,000	\$8,400	\$26,640	78%
PEI	\$13,817	\$7,160	\$20,977	61%	\$2,400	\$6,000	\$8,400	\$29,377	86%
NF	\$16,276	\$7,160	\$23,436	69%	\$2,400	\$6,000	\$8,400	\$31,836	93%
NWT	\$27,287	\$7,160	\$34,447	101%	\$2,400	\$6,000	\$8,400	\$42,847	125%
NU	\$10,938	\$7,160	\$18,098	53%	\$2,400	\$6,000	\$8,400	\$26,498	77%
YK	\$26,843	\$7,160	\$34,003	99%	\$2,400	\$6,000	\$8,400	\$42,403	124%

Scenario 2 Part-Time College Student on Social Assistance.

Single Person: 2018 Rates and Sales Tax Rebates. As p/t student.										
	Provincial	Federa	Total	Share	Social	Study	Learnin	New	TOTAL	Share
		l		of LIM	Grant	Grant	g			of LIM
							Benefit			
BC	\$8,760	\$282	\$9,042	37%	\$3,600	\$3,600	\$3,240	\$10,440	\$19,482	81%
AB	\$7,824	\$282	\$8,106	34%	\$3,600	\$3,600	\$3,240	\$10,440	\$18,546	77%

SK	\$8,601	\$282	\$8,883	37%	\$3,600	\$3,600	\$3,240	\$10,440	\$19,323	80%
MN	\$9,474	\$282	\$9,756	40%	\$3,600	\$3,600	\$3,240	\$10,440	\$20,196	84%
ON	\$9,364	\$282	\$9,646	40%	\$3,600	\$3,600	\$3,240	\$10,440	\$20,086	83%
QC	\$9,038	\$282	\$9,320	39%	\$3,600	\$3,600	\$3,240	\$10,440	\$19,760	82%
NB	\$6,844	\$282	\$7,126	29%	\$3,600	\$3,600	\$3,240	\$10,440	\$17,566	73%
NS	\$7,155	\$282	\$7,437	31%	\$3,600	\$3,600	\$3,240	\$10,440	\$17,877	74%
PEI	\$10,163	\$282	\$10,445	43%	\$3,600	\$3,600	\$3,240	\$10,440	\$20,885	86%
NF	\$11,068	\$282	\$11,350	47%	\$3,600	\$3,600	\$3,240	\$10,440	\$21,790	90%
NWT	\$21,733	\$430	\$22,163	92%	\$3,600	\$3,600	\$3,240	\$10,440	\$32,603	135%
NU	\$7,500	\$430	\$7,930	33%	\$3,600	\$3,600	\$3,240	\$10,440	\$18,370	76%
YK	\$17,663	\$430	\$18,093	75%	\$3,600	\$3,600	\$3,240	\$10,440	\$28,533	118%

Scenario 2A Non-College/University Study for person receiving social assistance.

Single Person: 2018 Rates and Sales Tax Rebates. As p/t student.									
	Provincial	Federal	Total	Share of LIM	Social Grant	Learning Benefit	New	TOTAL	
BC	\$8,760	\$282	\$9,042	37%	\$3,600	\$3,240	\$6,840	\$15,882	66%
AB	\$7,824	\$282	\$8,106	34%	\$3,600	\$3,240	\$6,840	\$14,946	62%
SK	\$8,601	\$282	\$8,883	37%	\$3,600	\$3,240	\$6,840	\$15,723	65%
MN	\$9,474	\$282	\$9,756	40%	\$3,600	\$3,240	\$6,840	\$16,596	69%
ON	\$9,364	\$282	\$9,646	40%	\$3,600	\$3,240	\$6,840	\$16,486	68%
QC	\$9,038	\$282	\$9,320	39%	\$3,600	\$3,240	\$6,840	\$16,160	67%
NB	\$6,844	\$282	\$7,126	29%	\$3,600	\$3,240	\$6,840	\$13,966	58%
NS	\$7,155	\$282	\$7,437	31%	\$3,600	\$3,240	\$6,840	\$14,277	59%
PEI	\$10,163	\$282	\$10,445	43%	\$3,600	\$3,240	\$6,840	\$17,285	71%
NF	\$11,068	\$282	\$11,350	47%	\$3,600	\$3,240	\$6,840	\$18,190	75%
NWT	\$21,733	\$430	\$22,163	92%	\$3,600	\$3,240	\$6,840	\$29,003	120%
NU	\$7,500	\$430	\$7,930	33%	\$3,600	\$3,240	\$6,840	\$14,770	61%
YK	\$17,663	\$430	\$18,093	75%	\$3,600	\$3,240	\$6,840	\$24,933	103%

Scenario 3 shows the current claw back regime and its impact on a single person on Ontario Works in Ontario.

	Current
Assistance (2020 Rate)	\$ 8,796
Provincial Credits	\$ 312
HST	\$ 296
Earns \$500/month	\$ 6,000
Claw Back	-\$ 3,000
EI	-\$ 97
CPP	-\$ 130
Canada Workers Benefit	\$ 630
Refundable Credits	
NET TO CLIENT	\$ 12,807
Cost to Province	
Benefits & Credits	\$ 9,108
Claw Back	-\$ 3,000
	\$ 6,108

Scenario 4: Ontario social assistance client working 15 hours weekly at minimum wage.

	With Canada Work Grant		With Canada Work Grant & Canada Essential Workers Benefit	
	Province Keeps CWG	Client Keeps CWG	Province Keeps CWG	Client Keeps CWG
Assistance (2020 Rate)	\$9,673	\$9,673	\$9,673	\$9,673
Provincial Credits	\$312	\$312	\$312	\$312
HST	\$296	\$296	\$296	\$296
Work 15/hrs week	\$8,244	\$8,244	\$8,244	\$8,244
Claw Back	-\$ 679	-\$ 679	-\$ 679	-\$ 679
EI	-\$ 133	-\$ 133	-\$ 133	-\$ 133
CPP	-\$ 247	-\$ 247	-\$ 247	-\$ 247
Canada Workers Benefit	\$1,101	\$1,101	\$1,101	\$1,101
Canada Essential Workers Benefit	\$ -	\$ -	\$4,122	\$4,122
Canada Work Grant (CWG)	\$ -	\$3,600		\$3,600
Refundable Credits	\$305	\$305	\$305	\$305
NET TO CLIENT	\$18,874	\$22,474	\$22,996	\$26,596
Share of LIM	78%	93%	95%	110%
Cost to Province				
Benefits & Credits	\$9,985	\$9,985	\$9,985	\$9,985
Claw Back	-\$ 679	-\$ 679	-\$ 679	-\$ 679
Canada Work Grant (CWG)	-\$3,600	\$ -	-\$ 3,600	
	\$5,707	\$9,307	\$5,707	\$9,307