



## RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

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PETITION No.: **421-02073**

BY: **MS. DUNCAN (EDMONTON STRATHCONA)**

DATE: **FEBRUARY 14, 2018**

PRINT NAME OF SIGNATORY: **ADAM VAUGHAN**

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Response by the Minister of Families, Children and Social Development

A handwritten signature in black ink that reads 'Adam Vaughan'.

SIGNATURE  
Minister or Parliamentary Secretary

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SUBJECT

**Social benefits**

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**ORIGINAL TEXT**

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**REPLY**

- Our Government is committed to strengthening the middle class and lifting more Canadians out of poverty. We have put in place some programs with the features of a guaranteed minimum income, such as the Canada Child Benefit for families with children and the Guaranteed Income Supplement for low income seniors.
  - On July 1st, 2016, the new Canada Child Benefit (CCB) came into effect. The CCB can be considered a form of basic income guarantee for families with children. The CCB provides a maximum annual benefit of up to \$6,400 per child under the age of six and up to \$5,400 per child aged 6 through 17. The CCB is a tax-free, income-tested benefit that is more generous than the previous suite of federal child benefits and is targeted to families who need it most. Nine out of 10 families are receiving more in child benefits under the CCB than they did under the previous system. With the introduction of a better-targeted CCB, about 300,000 fewer children were living in poverty in 2017 compared with 2013. This represents a reduction of about 40% in child poverty in Canada.

- In the Fall Economic Statement 2017, the Government announced that it will strengthen the CCB by indexing it to inflation beginning in July 2018, two years ahead of schedule, so it can keep pace with the rising cost of living. Indexing the CCB will provide an additional \$5.6 billion in support to Canadian families over the 2018–19 to 2022–23 period. For a single parent of two children making \$35,000, a strengthened CCB will contribute an additional \$560 in 2019-2020 towards the cost of raising his or her children. Budget 2018 also announced it will improve access to the Canada Child Benefit and other benefits. Indigenous Peoples, in particular those living in remote and northern communities, face distinct barriers when it comes to accessing federal benefits such as the CCB. To help Indigenous Peoples access the full range of federal social benefits, Budget 2018 announced \$17.3 million over three years, starting in 2018–19, to expand outreach efforts to Indigenous communities, and to conduct pilot outreach activities for urban Indigenous communities.
- For seniors, the Government increased the Guaranteed Income Supplement for the lowest-income single seniors by up to \$947 per year, starting in July 2016. This measure represents an investment of \$670 million per year and will improve the financial security of close to 900,000 seniors across Canada. Together, the Old Age Security pension and Guaranteed Income Supplement provide guaranteed income security for low-income seniors with little or no other sources of income. The GIS is income-tested to ensure that this additional assistance is provided to those seniors most in need.
- In addition, the Government of Canada is committed to reducing poverty by pursuing a long-term vision of a country that is diverse, prosperous and inclusive, where each individual can access the supports they need to participate in society to their fullest ability both socially and economically. That is why the Prime Minister of Canada has tasked the Minister of Families, Children and Social Development with leading the development of a Canadian Poverty Reduction Strategy that would set targets to reduce poverty and measure and publicly report on progress. In addition, the Strategy will align with and support existing provincial and municipal poverty reduction strategies.
- On February 13, 2017, the Minister of Families, Children and Social Development launched a nationwide consultation process to support the development of the Canadian Poverty Reduction Strategy. This process is part of the Government's desire to reach out to Canadians and to understand the needs and challenges faced by those most at risk of living with low income. Since then, ministerial and community roundtables with local organizations, national Indigenous organizations and people with lived experience of poverty have taken place across the country. Online public submissions have also been received through a portal dedicated to the Poverty Reduction Strategy. The Government also hosted a National Poverty Conference on September 27 and 28, 2017, which brought together academics, Canadians with lived experience of poverty, winners of a national youth contest who shared their innovative ideas on reducing poverty, and other key stakeholders to discuss the results of the national engagement. The idea of a guaranteed annual income was one of the topics discussed during public consultations.

- On September 22, 2017, the Minister of Families, Children and Social Development announced the members of the Ministerial Advisory Committee on Poverty, which brings together a diverse group of 17 leaders, academic experts and practitioners working in the field of poverty reduction, and individuals who have experienced poverty first-hand.
- On February 20, 2018, the Government released the “Canadian Poverty Reduction Strategy - What We Heard About Poverty So Far” report, consolidating the valuable input received during the consultation process. The Canadian Poverty Reduction Strategy will build upon a number of measures that the Government has announced to reduce poverty, including the introduction of the Canada Child Benefit, the increase to the Guaranteed Income Supplement, the enhancement of the Canada Pension Plan, and the enhancement to the Working Income Tax Benefit (WITB).
- The WITB is a refundable tax credit that supplements the earnings of low-income workers and encourages Canadians to stay in the workforce. The WITB provides important income support to low-income workers and helps to reduce the “welfare wall” by ensuring that individuals, such as social assistance recipients, are in a better financial position when they secure employment. In the Fall Economic Statement 2017, the Government announced changes to the WITB to put more money in the pockets of low-income workers, including families without children and the growing number of single Canadians, by further enhancing the WITB by an additional \$500 million per year, starting in 2019.
- In Budget 2018, the Government proposes to strengthen the WITB program by making it more generous, and making the benefit more accessible. This strengthened benefit will be named the Canada Workers Benefit (CWB) and will take effect in 2019. Using the funding announced in the 2017 Fall Economic Statement, the Government proposes to increase the maximum benefits under the CWB by up to \$170 in 2019 and to increase the income level at which the benefit is phased out completely. The Government also proposes to increase the maximum benefit provided through the CWB disability supplement by an additional \$160 to offer greater support to Canadians with disabilities who face financial barriers to entering the workforce. As a result of recent enhancements, a low-income worker earning \$15,000 a year could receive up to nearly \$5000 more from the program in 2019 than she received in 2018. The Government is also proposing amendments that will allow the Canada Revenue Agency to automatically determine whether these tax filers are eligible for the benefit. An estimated 300,000 additional low-income workers will receive the new CWB for the 2019 tax year as a result of these changes. In addition, over the next year, the Government will begin work on improving the delivery of the CWB to provide better support to low-income Canadians throughout the year, rather than through an annual refund after filing their taxes. CWB enhancements, combined with new investments to make sure that every worker who qualifies actually receives the benefit, will mean that the Government is investing almost \$1 billion of new funding for the benefit in 2019, relative to 2018. The Government estimates that enhancements and improved take-up in 2019 will directly benefit more than 2 million working Canadians, many of whom were not benefitting from the WITB. This will help lift

approximately 70,000 Canadians out of poverty. In total, it is estimated that these proposals will provide almost \$3 billion more in CWB during the 2018-19 to 2022-23 period.

- Public interest in the idea of a Guaranteed Annual Income has been increasing among stakeholders and provincial governments. For example, in 2017, Ontario has put in place a pilot project to study the idea of a Guaranteed Annual Income. As well, Prince Edward Island and British Columbia have showed interest in the idea of a Guaranteed Annual Income. In December 2017, the Government of Québec released its new Action Plan to Foster Economic Inclusion and Social Participation, which announced the progressive implementation of a basic income for social assistance recipients with a severely limited capacity for employment. The Government offered to share available data with provinces interested in implementing Guaranteed Annual Income pilots or programs within their jurisdictions. As well, the Government will monitor the work done in other jurisdictions and learn from its conclusions and recommendations.