

THE QUÉBEC  
ECONOMIC PLAN

March 2018

# *Disposable Income*

BUDGET 2018-2019

**More Money for  
Each Quebecer**

Québec 



Budget 2018-2019  
Disposable Income: More Money for Each Quebecer

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# HIGHLIGHTS

## ❑ Measures to benefit all Quebecers

Since 2015, the government has adopted significant initiatives to enhance Quebecers' standard of living. The first step was to consolidate public finances in order to find ways to enhance the quality of life of Québec families.

The government has acted on several fronts to increase Quebecers' disposable income. Initiatives have been implemented to:

- reduce the tax burden through significant tax cuts and the abolition of the healthcare contribution;
- enhance income support for Québec families, for example by means of the \$100 supplement per child for the purchase of school supplies;
- enhance the work incentive by increasing, in particular, the minimum wage and by enhancing work premiums;
- increase assistance for the most disadvantaged by enhancing last-resort financial assistance and the Objectif emploi program;
- guarantee higher retirement income through the enhancement of the Québec Pension Plan and the gradual introduction of the Voluntary Retirement Savings Plans.

The initiatives will afford all Québec families the means to focus on priorities that they identify and restore to them quality time.

## ❑ Increased disposable income for all Quebecers

The government's initiatives have enabled families, regardless of their status or income level, to benefit from more disposable income.

- Middle-class families will benefit from a gain of more than \$1 500 per year starting in 2018.
- Average-wage earners living alone will benefit from an annual decrease in their tax burden of more than \$500.
- Minimum-wage earners will benefit from significant increases in their work income. The annual increase in the disposable income of such families will exceed \$1 000.
- Experienced workers will be able to count on an annual gain of nearly \$1 500 starting this year.
- Last-resort financial assistance beneficiaries living alone will benefit from an annual increase in their disposable income ranging from \$540 to \$5 382.
- The enhancement of the Québec Pension Plan will increase the disposable income of future retirees.

TABLE 1

### **Annual increase in disposable income according to the situation of households – In the long run** (in dollars)

	<b>Family<sup>(1)</sup></b>	<b>Single individual</b>
Middle-class families and workers <sup>(2)</sup>	1 573	536
Minimum-wage earners <sup>(3)</sup>	1 014	376
Experienced workers 65 years of age or over <sup>(4)</sup>	—	1 466
Last-resort financial assistance beneficiaries		
– Long-term severe constraints	7 277	5 382
– Short-term severe constraints	1 616	1 261
– Social assistance	740	540
Retirees <sup>(5)</sup>	4 587	1 756

(1) Couple with two children 4 and 7 years of age and two equal work incomes.

(2) Average-wage earners.

(3) The gains of such households do not take into account the impact of the increase in the minimum wage.

(4) For the purposes of this document, only the typical case of a person living alone is presented, given that the tax credit is determined on an individual basis.

(5) Impact of the enhancement of the Québec Pension Plan for an average-wage earner.



## ❑ **Improve Quebecers' standard of living**

The government's choices in recent years have allowed for the sharing of the fruits of economic growth. The initiatives will enhance the quality of life of Québec families.

- Québec will continue to experience collective prosperity and ensure that such prosperity is equitably distributed. Low- and middle-income earners will, proportionately, benefit more significantly from the planned relief.
- Over the past two years, the Québec economy has recorded striking acceleration and witnessed a stronger labour market. Initiatives under *The Québec Economic Plan* will further support economic activity.
- More than 160 000 individuals will get out of poverty starting in 2023, which will make Québec a front runner among the industrialized nations with the fewest low-income individuals.



# 1. INCREASED DISPOSABLE INCOME FOR FAMILIES

Since the beginning of its mandate, the government has adopted a balanced approach to increase disposable income both for workers and the most disadvantaged.

Accordingly, the tax burden of Québec families has fallen since 2017 through tax cuts and the abolition of the healthcare contribution.

In addition to benefiting from a reduced tax burden, Québec families will receive additional assistance starting this year that will lower childcare expenses or the purchase of school supplies for their children.

To further promote the work incentive, the work premium benefits of low-income workers will increase. They will benefit from the full amount of the enhanced premium in 2022.

Furthermore, families that benefit from social assistance will receive increased financial support that will enable them to better cover their needs. The full increase in the benefits will be reached in 2021.

The measures implemented under *The Québec Economic Plan* mean that middle-class families will benefit from an increase in their disposable income of:

- more than \$1 500 per year for a couple with two children;
- nearly \$1 000 per year for a single-parent family with one child;
- more than \$1 000 per year for a childless couple;
- more than \$500 per year for a single individual.

Minimum-wage earners will also benefit from the increases in the minimum wage, which will gradually rise to reach 50% of the average hourly wage in 2020, estimated at \$12.75.

Through the tax shield, households that increase their work effort will receive an additional benefit of up to \$1 325 for a family or \$300 for a single individual.

Furthermore, the proposed school tax reform could mean lower school taxes for homeowners.

# 1.1 More than \$1 500 for a family

Since *The Québec Economic Plan — March 2015*, the measures announced with respect to families have been implemented gradually.

A couple with two children that is employed at the average wage<sup>1</sup> will benefit starting in 2018 from all of its gain, that is:

- \$1 573 because of a \$1 073 decrease in the tax burden and a \$500 increase in family assistance attributable to the \$100 supplement per child for the purchase of school supplies and the enhancement of the refundable tax credit for childcare expenses.

If the spouses work at the minimum wage, their gain will be:

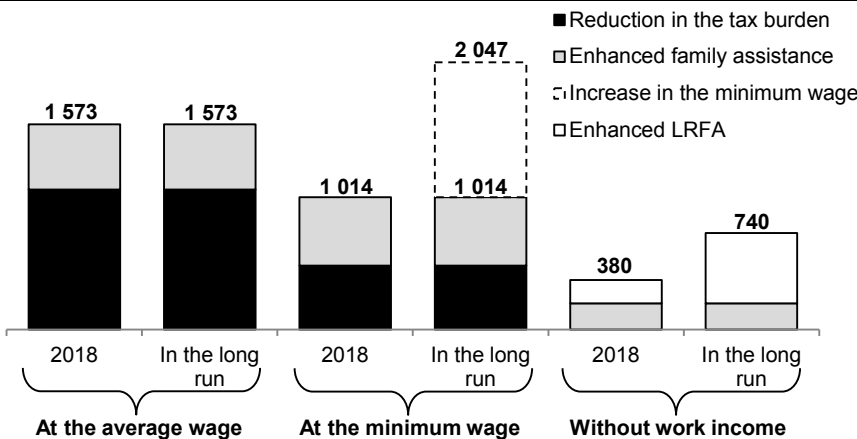
- \$1 014 in 2018, stemming from a \$489 decrease in the tax burden and a \$525 increase in family assistance;
- \$2 047 in the long run, including \$1 033 because of the gradual increase in the minimum wage.

In cases where the couple is without work income, it will benefit from a gain of:

- \$380 in 2018 stemming from a \$180 increase in last-resort financial assistance (LRFA) and a \$200 increase in family assistance;
- \$740 in the long run stemming from the \$360 additional increase in last-resort financial assistance.

CHART 1

**Breakdown in the increase in disposable income for a couple with two children<sup>(1)</sup> – 2018 and in the long run**  
(in dollars)



Note: For illustrative purposes, the average wage corresponds to income of \$90 000 and the minimum wage, to income of \$50 000.

(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

<sup>1</sup> Average weekly earnings in Québec stood at \$884.49 in 2017 according to the Institut de la statistique du Québec, or annual earnings of \$45 993.

## ❑ Illustration for a couple with two children

The tax burden of families will decrease by an amount that can exceed \$1 000 per year.

What is more, families will receive increased family assistance. The additional gain can reach \$525 per year.

Low-income families that are last-resort financial assistance beneficiaries can thus count on a benefit that will ultimately be \$540 higher, regardless of status.

TABLE 2

### **Increase in disposable income for a couple with two children<sup>(1)</sup>**

#### **– In the long run**

(in dollars)

Family work income	Disposable income	Decrease in the tax burden <sup>(2)</sup>	Increase in income support		Increased disposable income		
			Family assistance <sup>(3)</sup>	LRFA <sup>(4)</sup>	Total gain	Disposable income	(%) <sup>(5)</sup>
—	30 694	—	200	540	<b>740</b>	<b>31 434</b>	2.4
25 000	43 905	—	200	—	<b>200</b>	<b>44 105</b>	0.5
50 000	53 248	489	525	—	<b>1 014</b>	<b>54 262</b>	1.9
90 000	70 952	1 073	500	—	<b>1 573</b>	<b>72 525</b>	2.2
150 000	101 272	1 073	410	—	<b>1 483</b>	<b>102 755</b>	1.5

Note: The gains do not take into account the impact of the increase in the minimum wage.

Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

(2) This amount includes tax cuts and the abolition of the healthcare contribution.

(3) This amount includes the supplement to purchase school supplies and the increase in the refundable tax credit for childcare expenses.

(4) This amount includes the enhancement of social assistance.

(5) This percentage represents the total gain over disposable income before the application of the measures in *The Québec Economic Plan*.

### **Advantages respecting childcare for low-income households**

The gains in family assistance depend on the childcare rates that parents pay for a non-subsidized childcare service. In order for a family to benefit fully from the enhanced ceilings on expenses eligible for the refundable tax credit for childcare expenses,<sup>1</sup> the childcare expenses paid must be at least:

- \$9 500 for a child under 7 years of age;
- \$13 000 for a disabled child.

Low-income households have few or no childcare expenses to pay.

- Last-resort financial assistance beneficiaries are exempt from paying a daily contribution for a subsidized childcare service.
- Households in which the spouses are engaged in part-time employment have fewer childcare expenses, which rarely exceed the ceilings on the expenses eligible for the refundable tax credit for childcare expenses.

#### **Exemption from the daily contribution for last-resort financial assistance beneficiaries**

As announced in the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023*, the number of days of subsidized childcare services exempt from the contribution for last-resort financial assistance beneficiaries will be increased from 2.5 days to 5 days per week.

The action plan announced that the measure would be implemented on January 1, 2020, but *The Québec Economic Plan — March 2018* has moved the coming into force of the measure to August 1, 2018. Subsidized childcare services will receive government compensation equivalent to the parents' contribution.

<sup>1</sup> This measure is announced in *The Québec Economic Plan — March 2018*. For additional information, please consult section C, "*The Québec Economic Plan: measures for individuals and the community.*"

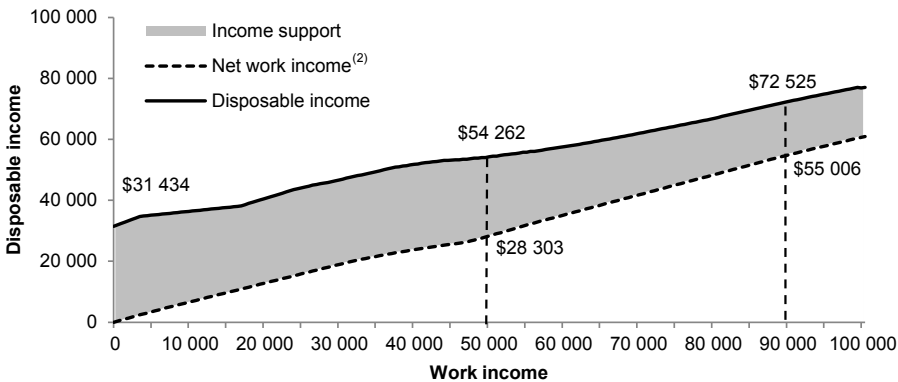
## Income support program pursuant to *The Québec Economic Plan*

The financial assistance that the income support program provides is linked to changes in household income. Accordingly, the assistance granted is higher when income is lower and it decreases gradually as income increases.

A couple with two children will be able to count on income support of:

- \$31 434 with no work income;
- nearly \$26 000 with family income of \$50 000, which will give it disposable income of \$54 262;
- more than \$17 500 with family income of \$90 000, which will give it disposable income of \$72 525.

### Income support program for a couple with two children<sup>(1)</sup> – In the long run (in dollars)



(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

(2) This amount corresponds to the work income from which Québec and federal taxes and required contributions have been deducted as well as childcare costs.

# 1.2 Nearly \$1 000 for a single-parent family

Depending on their financial situation, single-parent families will benefit differently from the measures announced since 2015.

A single-parent family that is employed at the average wage will benefit starting in 2018 from all of the gain, that is:

- \$976 stemming from a \$536 decrease in the tax burden and a \$440 increase in family assistance.

In cases where the single-parent family is working at the minimum wage, the gain will be:

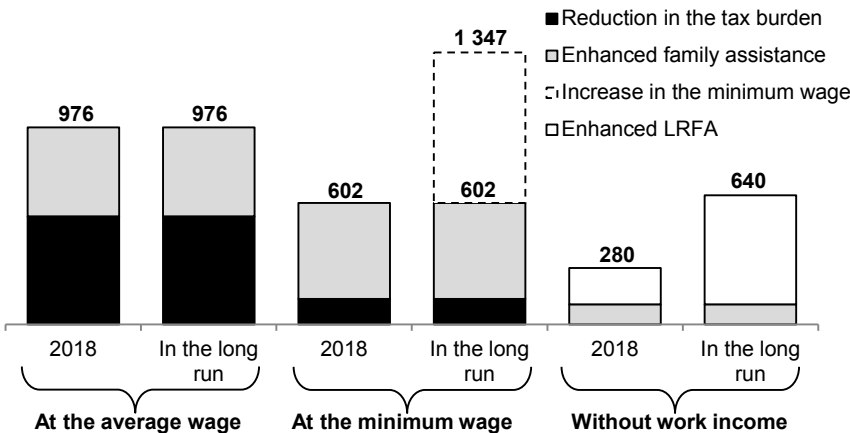
- \$602 for 2018, stemming from a \$127 decrease in the tax burden and a \$475 increase in family assistance;
- \$1 347 in the long run, including \$745 through the increase in the minimum wage.

A single-parent family without work income will benefit from a gain of:

- \$280 in 2018, as a result of a \$180 increase in last-resort financial assistance and a \$100 increase in family assistance;
- \$640 in the long run stemming from additional last-resort financial assistance.

CHART 2

**Breakdown of the increase in disposable income for a single-parent family with one child<sup>(1)</sup> – 2018 and in the long run**  
(in dollars)



Note: For illustrative purposes, the average wage corresponds to income of \$45 000 and the minimum wage, to income of \$25 000.

(1) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.



**❑ Illustration for a single-parent family**

Single-parent families will benefit from tax relief that can reach more than \$500 per year.

Just like couples, single-parent families will benefit from increased income support with respect to family assistance. The additional gain can reach \$475 per year for a family with one child.

The last-resort financial assistance benefit that such families receive will ultimately be increased by \$540 per year.

TABLE 3

**Increase in disposable income for a single-parent family with one child<sup>(1)</sup>**  
**– In the long run**  
(in dollars)

Work income	Disposable income	Decrease in the tax burden <sup>(2)</sup>	Increase in income support		Increased disposable income		
			Family assistance <sup>(3)</sup>	LRFA <sup>(4)</sup>	Total gain	Disposable income	(%) <sup>(5)</sup>
—	21 759	—	100	540	<b>640</b>	<b>22 399</b>	2.9
25 000	32 751	127	475	—	<b>602</b>	<b>33 354</b>	1.8
45 000	42 711	536	440	—	<b>976</b>	<b>43 687</b>	2.3
75 000	56 068	536	400	—	<b>936</b>	<b>57 004</b>	1.7

Note: The gains do not take into account the impact of the increase in the minimum wage.

Since the amounts are rounded, they may not add up to the total shown.

(1) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.

(2) This amount includes tax cuts and the abolition of the healthcare contribution.

(3) This amount includes the supplement to purchase school supplies and the increase in the refundable tax credit for childcare expenses.

(4) This amount includes the enhancement of social assistance.

(5) This percentage represents the total gain over disposable income before the application of the measures in *The Québec Economic Plan*.

### 1.3 More than \$1 000 per year for a childless couple

The impact of the measures announced with respect to childless couples will vary according to their financial situation.

A childless couple that is employed at the average wage will benefit starting in 2018 from all of its gain, that is:

— \$1 073 because of a decrease in the tax burden.

In cases where the spouses are employed part time at the minimum wage, their gain will be:

— \$306 for 2018, because of the increase in the work incentive;

— \$1 575 in the long run, that is, a \$587 increase in the work incentive and \$988 through the increase in the minimum wage.

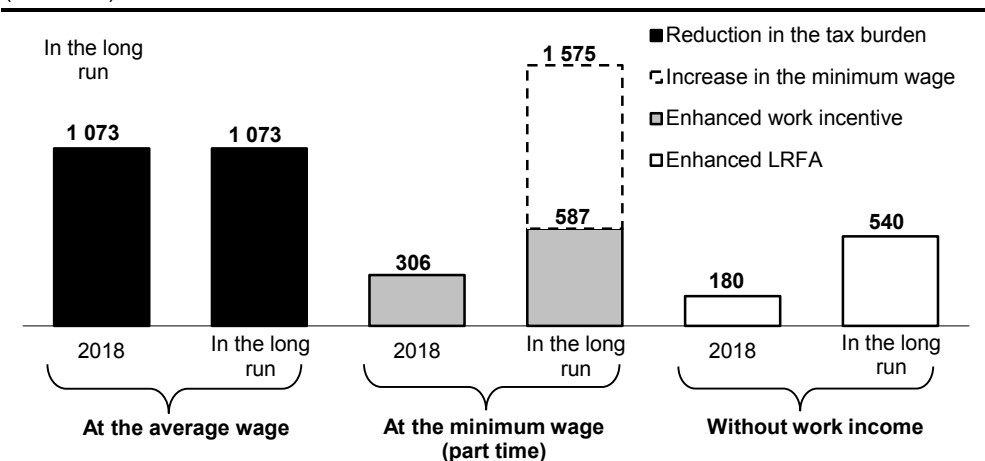
In cases where the couple is without work income, it will benefit from a gain of:

— \$180 in 2018, as a result of the enhancement of last-resort financial assistance;

— \$540 in the long run stemming from additional last-resort financial assistance.

CHART 3

**Breakdown of the increase in disposable income for a childless couple<sup>(1)</sup>**  
**– 2018 and in the long run**  
(in dollars)



Note: For illustrative purposes, the average wage corresponds to family income of \$90 000 and the minimum wage, to family income of \$25 000.

(1) Couple with two equal work incomes.

## ❑ Illustration for a childless couple

The tax burden of childless couples will decrease by an amount that can exceed \$1 000 per year.

Low-income childless couples will benefit from a higher work incentive through a more generous work premium. Such households with \$25 000 in work income will ultimately receive a work premium increased by \$587.

Low-income childless couples who are last-resort financial assistance beneficiaries will benefit from an increase in their last-resort financial assistance that will ultimately reach \$540.

TABLE 4

### **Increase in disposable income for a childless couple<sup>(1)</sup> – In the long run** (in dollars)

Family work income	Disposable income	Decrease in the tax burden <sup>(2)</sup>	Increase in income support		Increased disposable income		
			Work incentive <sup>(3)</sup>	LRFA <sup>(4)</sup>	Total gain	Disposable income	(%) <sup>(5)</sup>
—	13 577	—	—	540	<b>540</b>	<b>14 117</b>	4.0
25 000	26 878	—	587	—	<b>587</b>	<b>27 465</b>	2.2
50 000	41 455	489	—	—	<b>489</b>	<b>41 944</b>	1.2
90 000	66 806	1 073	—	—	<b>1 073</b>	<b>67 879</b>	1.6
150 000	103 223	1 073	—	—	<b>1 073</b>	<b>104 295</b>	1.0

Note: The gains do not take into account the impact of the increase in the minimum wage.

Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes.

(2) This amount includes tax cuts and the abolition of the healthcare contribution.

(3) This amount corresponds to the enhancement of the work premium.

(4) This amount corresponds to the enhancement of social assistance.

(5) This percentage represents the total gain over disposable income before the application of the measures in *The Québec Economic Plan*.

# 1.4 More than \$500 for a single individual

Since *The Québec Economic Plan — March 2015*, single individuals have benefited from the measures announced that are being implemented gradually.

A single individual who is employed at the average wage will benefit starting in 2018 from the entire gain, namely:

- a \$536 decrease in the tax burden.

In cases where the single individual is working at the minimum wage, the gain will be:

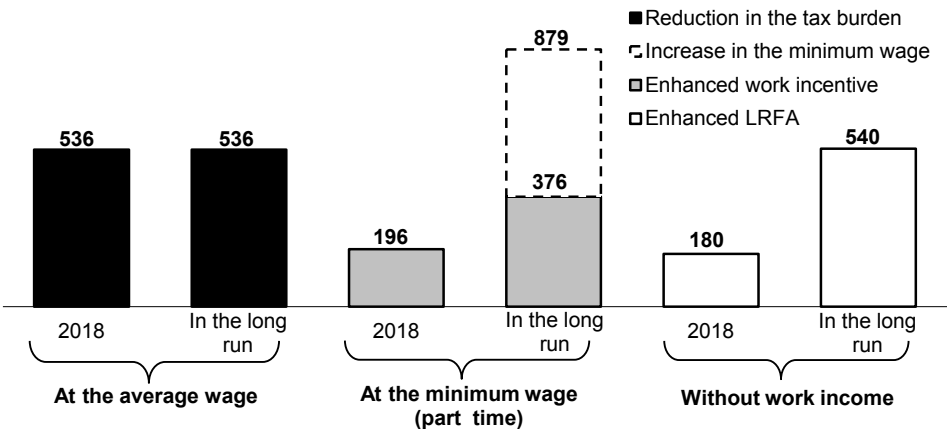
- \$196 in 2018, because of the increase in the work incentive;
- \$879 in the long run, that is a \$376 increase in the work incentive and \$503 attributable to the increase in the minimum wage.

In cases where the single individual has no work income, such an individual will nonetheless benefit from a gain of:

- \$180 in 2018, arising from the enhancement of last-resort financial assistance;
- \$540 in the long run, stemming from the \$360 increase in last-resort financial assistance.

CHART 4

**Breakdown of the increase in disposable income for a single individual – 2018 and in the long run**  
(in dollars)



Note: For illustrative purposes, the average wage corresponds to income of \$45 000 and the minimum wage, to income of \$15 000.

❑ **Illustration for a single individual**

Single individuals will benefit from tax relief that can reach more than \$500 per year.

Just like childless couples, low-income single individuals who are employed will benefit from a more generous work premium. For illustrative purposes, on work income of \$15 000, equivalent to part-time employment at the minimum wage, households will receive a work premium that will ultimately increase by \$376.

The last-resort financial assistance benefit that such families receive will ultimately be increased by \$540 per year.

TABLE 5

**Increase in disposable income for a single individual – In the long run**  
(in dollars)

Work income	Disposable income	Decrease in the tax burden <sup>(1)</sup>	Increase in income support		Increased disposable income		
			Work incentive <sup>(2)</sup>	LRFA <sup>(3)</sup>	Total gain	Disposable income	(%) <sup>(4)</sup>
—	9 461	—	—	540	<b>540</b>	<b>10 001</b>	5.7
10 000	13 989	—	300	551	<b>851</b>	<b>14 840</b>	6.1
15 000	16 650	—	376	—	<b>376</b>	<b>17 026</b>	2.3
45 000	33 838	536	—	—	<b>536</b>	<b>34 374</b>	1.6
75 000	51 611	536	—	—	<b>536</b>	<b>52 148</b>	1.0

Note: The gains do not take into account the impact of the increase in the minimum wage.

Since the amounts are rounded, they may not add up to the total shown.

(1) This amount includes tax cuts and the abolition of the healthcare contribution.

(2) This amount includes the enhancement of the work premium.

(3) This amount includes the enhancement of social assistance and its impact on the refundable GST tax credit.

(4) This percentage represents the total gain over disposable income before the application of the measures in *The Québec Economic Plan*.

# 1.5 An additional gain for families that increase their work income

Families that increase their work income may be subject to a significant reduction in their socio-fiscal transfers, which can make entry into the labour force less attractive.

To compensate the losses that such households sustain, a tax shield was established in 2016 that protects the work premium and the refundable tax credit for childcare expenses.

The government is announcing an enhancement of this measure in *The Québec Economic Plan*. Workers can benefit from broader protection of increases in their work income through the raising from \$3 000 to \$4 000 of the ceiling on eligible income.

Accordingly, families that increase their work income from one year to the next can take advantage of additional assistance.

- A family with two children in which each spouse's work income increases by \$4 000 or more will benefit from a tax shield of up to \$1 325.
- The benefit under the tax shield can reach \$300 for a single-parent family with one child or a single individual.
- In the case of a childless couple, the tax shield will grant compensation of up to \$600.

TABLE 6

**Gain from the tax shield for an increase in work income of \$4 000 per person<sup>(1)</sup> – In the long run**  
(in dollars)

Work income	Couple with two children <sup>(2)</sup>	Single-parent family with one child <sup>(3)</sup>	Childless couple <sup>(4)</sup>	Single individual
—	—	—	—	—
5 000	—	144	—	44
10 000	—	151	—	50
15 000	—	300	—	300
25 000	600	300	600	—
30 000	600	300	600	—
35 000	600	300	425	—
45 000	1 155	190	—	—
50 000	1 325	190	—	—

(1) Assuming an increase in net income of at least \$4 000 per spouse.

(2) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

(3) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.

(4) Couple with two equal work incomes.

## ❑ Illustration of the tax shield for a family in which the spouses return to the labour market

Yann and Sophia are both workers earning the minimum wage and each one thus receives work income of \$22 500, for a family income of \$45 000.

In the summer of 2017, Sophia gives birth to their first child. The new family has decided to take advantage of the benefits under the Québec Parental Insurance Plan (QPIP). The couple plans to share the parental leave so that both of them can go back to work in January 2018.

- Sophia benefits from 18 weeks of maternity leave with benefits from the QPIP equivalent to 70% of her salary and 10 weeks at 55% of her salary.
- Yann benefits from five weeks of paternity leave and seven weeks of parental leave during which he receives benefits equivalent to 70% of his salary and 15 weeks of parental leave at 55% of his salary.

Accordingly, for the 2017 taxation year, the couple has work income of \$21 202 and a benefit of \$15 036 from the QPIP. In addition to family assistance, such as child assistance, the couple benefits from a work premium of \$1 290.

When they go back to work in 2018, Yann and Sophia find a place for their child in a non-subsidized childcare service near their place of work at a daily rate of \$36.54, or \$9 500 per year. For 2018:

- the couple can benefit from a refundable tax credit for childcare expenses of \$6 460;
- their work premium will, however, decrease from \$1 290 to \$440, an \$850 reduction, because of the increase in their work income.

The couple can benefit from the tax shield that the government implemented in 2016 in order to offset the loss of the work premium. Through the tax shield, the household will thus receive \$1 075, that is:

- \$600 to compensate the reduced work premium;
- \$475 for the tax credit for childcare expenses.

Overall, the family will benefit from a net gain of \$225. The \$850 reduction in the work premium will be offset by the tax shield benefit of \$1 075.

TABLE 7

**Protection from the tax shield from which Yann and Sophia benefit**  
(in dollars)

	2017 (parental leave)	2018 (return to work)	Difference
Work income <sup>(1)</sup>	21 202	45 000	23 798
QPIP benefits	15 036	—	–15 036
<b>Total income</b>	<b>36 238</b>	<b>45 000</b>	<b>8 762</b>
<b>Socio-fiscal transfers<sup>(2)</sup></b>			
– Refundable tax credit for childcare expenses <sup>(3)</sup>	—	6 460	6 460
– Work premium	1 290	440	–850
<b>Tax shield protection<sup>(4)</sup></b>			
– Compensation linked to the work premium	—	600	600
– Compensation linked to the refundable tax credit for childcare expenses	—	475	475
<b>TOTAL – TAX SHIELD</b>	<b>—</b>	<b>1 075</b>	<b>1 075</b>

Net gain  
of \$225

(1) The couple has two equal work incomes and both spouses are minimum-wage earners.

(2) Only the socio-fiscal transfers protected by the tax shield are presented.

(3) In 2018, the child is attending a non-subsidized childcare service at a total cost of \$9 500.

(4) Assuming a net increase in income of at least \$4 000 per spouse, or \$8 000 for the couple.



## 1.6 An additional gain stemming from school tax reform

To eliminate disparities in school tax rates in a given region and lighten the tax burden of taxpayers, the Minister of Education, Recreation and Sports has tabled a proposed school tax reform.<sup>2</sup> The reform would introduce single regional school tax rates based on the lowest effective rate in each region and implement a basic \$25 000 exemption from the property value.

For example, as a result of the reform, the school tax payable by a family that owns a single-family dwelling would decrease, thereby increasing its disposable income by an additional amount of:

- \$217 if the family lives in the la Capitale-Nationale region;
- \$329 if the family lives in the Estrie region;
- \$347 if the family lives in the Outaouais region.

TABLE 8

**Potential decrease in the school tax for a family that owns a single-family dwelling**  
(in dollars, unless otherwise indicated)

Commission scolaire	Administrative region		
	Capitale-Nationale	Estrie	Outaouais
	De la Capitale	De la Région-de-Sherbrooke	Au Cœur-des-Vallées
<b>Prior to the reform</b>			
– Value on the real estate assessment roll <sup>(1)</sup>	283 369	271 144	182 286
– Tax rate (in \$ per \$100 of property assessment) <sup>(2)</sup>	0.20134	0.29277	0.31182
<b>School tax payable – Prior to the reform</b>	<b>571</b>	<b>794</b>	<b>568</b>
<b>After the reform</b>			
– Value on the real estate assessment roll <sup>(3)</sup>	289 947	277 438	186 517
– Exemption	–25 000	–25 000	–25 000
– Tax rate (in \$ per \$100 of property assessment) <sup>(2)</sup>	0.13360	0.18434	0.13694
<b>School tax payable – After the reform</b>	<b>354</b>	<b>465</b>	<b>221</b>
<b>GAIN</b>	<b>217</b>	<b>329</b>	<b>347</b>

(1) Average value of a single-family dwelling for 2017-2018 in the territory of the school board indicated.

(2) Residential school tax rate or average school tax rate when more than one rate is applicable in the territory of the school board.

(3) Value calculated for 2018-2019 according to the hypothesis of a 2.3% average increase in property values in Québec.

Source: Online calculator: [www.taxescolaire.gouv.qc.ca/outils/taxe\\_scolaire/calculateur.asp](http://www.taxescolaire.gouv.qc.ca/outils/taxe_scolaire/calculateur.asp)

<sup>2</sup> The reform should be implemented starting July 1, 2018.



## 2. ACTIONS TO INCREASE THE DISPOSABLE INCOME OF ALL TYPES OF HOUSEHOLDS

Families will benefit differently from the measures implemented since the beginning of the government's mandate according to their status. This section examines the cases of certain households and the main measures that will increase their disposable income and quality of life.

### ☐ Middle-class workers

Middle-class workers will benefit mainly from the decrease in the tax burden attributable to tax cuts and the abolition of the healthcare contribution.

Families will be able to count on the supplement for the purchase of school supplies and the enhancement of the refundable tax credit for childcare expenses.

The parents of a disabled child will benefit from a significant increase in the ceiling on eligible childcare expenses and the disposable income of parents of children requiring exceptional care will increase significantly.

### ☐ Minimum-wage earners

Minimum-wage earners will benefit from the decrease in the tax burden. Moreover, the increase in the minimum wage will significantly increase their work income.

### ☐ Last-resort financial assistance beneficiaries

The benefits of last-resort financial assistance beneficiaries and the beneficiaries of the Objectif emploi will increase. The enhancement will depend on their ability to enter the labour market.

The measures in the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023* will afford better coverage of the needs of such taxpayers and maintain a strong incentive to join the workforce.

### ☐ Retirees

Retirees will benefit from higher retirement income through the enhancement of the Québec Pension Plan (QPP) and the gradual introduction of the Voluntary Retirement Savings Plans (VRSPs).

## 2.1 Middle-class workers

The disposable income of middle-class workers will increase mainly through tax cuts and the abolition of the healthcare contribution.

Average-wage earners will benefit from the full amount of the \$336 tax cut and will no longer have to pay the \$200 healthcare contribution, for a total of \$536.

— For couples in which the spouses work at the average wage, the tax cut will total \$1 073.

In addition, families will benefit from a supplement of \$100 per child for the purchase of school supplies and the higher ceilings on expenses eligible for the refundable tax credit for childcare expenses. The measures will afford couples a total gain of \$500 and \$440 for single-parent families.

Overall, when the decrease in the tax burden is included, the measures will engender an increase in disposable income of:

- \$1 573 (2.2%) for couples with two children;
- \$976 (2.3%) for single-parent families with one child;
- \$1 073 (1.6%) for childless couples;
- \$536 (1.6%) for single individuals.

Moreover, such workers have benefited from the 7.2% overall increase in the average wage, compared to 6.5%<sup>3</sup> for Ontario.

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<sup>3</sup> Based on Conference Board of Canada forecasts for 2018.

TABLE 9

**Increase in disposable income for average-wage earners – 2018**

(in dollars, unless otherwise indicated)

	<b>Couple with two children<sup>(1)</sup></b>	<b>Single-parent family with one child<sup>(2)</sup></b>	<b>Childless couple<sup>(3)</sup></b>	<b>Single individual</b>
Work income	90 000	45 000	90 000	45 000
Disposable income (before enhancements)	70 952	42 711	66 806	33 838
<b>Decrease in the tax burden</b>				
– Tax cuts	673	336	673	336
– Abolition of the healthcare contribution	400	200	400	200
Subtotal	1 073	536	1 073	536
<b>Family assistance</b>				
– \$100 per child for the purchase of school supplies	200	100	—	—
– Increase on the ceilings of the refundable tax credit for childcare expenses <sup>(4)</sup>	300	340	—	—
Subtotal	500	440	—	—
<b>TOTAL GAIN</b>	<b>1 573</b>	<b>976</b>	<b>1 073</b>	<b>536</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>72 525</b>	<b>43 687</b>	<b>67 879</b>	<b>34 374</b>
Increase (%)	2.2	2.3	1.6	1.6
<i>Increase in the average wage between 2015 and 2018 (%)</i>	<i>7.2</i>	<i>7.2</i>	<i>7.2</i>	<i>7.2</i>

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

(2) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.

(3) Couple with two equal work incomes.

(4) The non-subsidized childcare service fees for the 4-year-old child are \$9 500 and the school childcare service fees for the 7-year-old child are \$5 000.

## ❑ **Additional assistance for families with a disabled child**

Families with a disabled child are faced with substantial expenses. Accordingly, measures have been adopted to assist them and afford them quality time.

- Starting in 2018, families that bear the high costs stemming from caring for their disabled children will benefit from an increase in the refundable tax credit for childcare expenses. The ceiling on eligible childcare expenses in respect of a disabled child will increase from \$11 000 to \$13 000.
- Since April 2016, certain families have benefited from a supplement for disabled children requiring exceptional care paid in conjunction with child assistance.

To illustrate the gain for such families, we are assuming middle-class households that pay an annual childcare rate of \$13 000 for their disabled 2-year-old child. The higher rates enable day care centres to adapt their services to the specific needs of such children.

Accordingly, the enhancement of the refundable tax credit for childcare expenses will increase the disposable income of couples by \$1 200 and that of a single-parent families by \$1 360.

Families with disabled children who require exceptional care will receive an annual supplement of \$11 544 per disabled child requiring exceptional care, regardless of their family status and income level.

- Single-parent families without work income will also benefit from the \$540 annual increase in last-resort financial assistance.

Overall, when the decrease in the tax burden is included, disposable income will increase by:

- \$2 273 (3.1%) for couples with a disabled child attending a non-subsidized childcare service;
- \$1 896 (4.1%) for single-parent families with a disabled child attending a non-subsidized childcare service;
- \$11 986 (23.2%) for couples with a disabled child requiring exceptional care;
- \$12 084 (45.0%) for single-parent families with a disabled child requiring exceptional care.

TABLE 10

**Increase in disposable income for families with a disabled child****– In the long run**

(in dollars, unless otherwise indicated)

	Disabled child		Disabled children requiring exceptional care	
	Couple <sup>(1)</sup>	Single-parent family <sup>(1)</sup>	Couple <sup>(2)</sup>	Single-parent family <sup>(3)</sup>
Work income	90 000	45 000	45 000	—
Disposable income (before enhancements)	72 225	46 788	51 756	26 834
<b>Decrease in the tax burden</b>				
– Tax cuts	673	336	242	—
– Abolition of the healthcare contribution	400	200	200	—
Subtotal	1 073	536	442	—
<b>Family assistance</b>				
– Supplement for disabled children requiring exceptional care	—	—	11 544	11 544
– Increase on the ceilings of the refundable tax credit for childcare expenses	1 200	1 360	—	—
Subtotal	1 200	1 360	11 544	11 544
<b>Last-resort financial assistance</b>				
– Enhancement of the Social Assistance Program	—	—	—	540
<b>TOTAL GAIN</b>	<b>2 273</b>	<b>1 896</b>	<b>11 986</b>	<b>12 084</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>74 498</b>	<b>48 684</b>	<b>63 742</b>	<b>38 918</b>
Increase (%)	3.1	4.1	23.2	45.0
<i>Increase in the average wage between 2015 and 2018 (%)</i>	<i>7.2</i>	<i>7.2</i>	<i>7.2</i>	<i>—</i>

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Such households benefit from specialized non-subsidized childcare services that cost them \$13 000 per year.

(2) The first parent earns the average wage while the second parent remains at home to care for the child requiring exceptional care. Such a household thus does not have to pay childcare expenses.

(3) The parent does not work in order to take care of his child requiring exceptional care. Such a household thus does not have to pay childcare expenses.

## 2.2 Minimum-wage earners

### ❑ Workers benefit from increases in the minimum wage

The increases in the minimum wage will significantly enhance the quality of life of low-income workers by raising their disposable income.

— In 2020, the minimum wage will reach 50% of the average hourly wage, which could correspond to roughly \$12.75.

Since 2015, the work income of minimum-wage employees has increased by \$1 812, a net gain of nearly \$1 423.

By 2020, such workers will ultimately benefit from an additional \$936 increase in their work income, a net gain of \$503.

Overall, increases in the minimum wage since 2015 will represent a \$2 748 increase in work income or a \$1 926 increase in disposable income.

TABLE 11

#### Impact on part-time workers of the increase in the minimum wage (in dollars)

	2015 minimum wage	Enhanced minimum wage <sup>(1)</sup>	
	\$10.55/h	\$12.00/h	\$12.75/h <sup>(2)</sup>
<b>Single individual<sup>(3)</sup></b>			
Work income	13 188	15 000	15 936
– Increase since 2015	—	1 812	2 748
Disposable income	15 603	17 026	17 529
– Increase since 2015	—	1 423	1 926
		503	
<b>Childless couple<sup>(4)</sup></b>			
Work income	21 979	25 000	26 560
– Increase since 2015	—	3 021	4 581
Disposable income	24 965	27 465	28 453
– Increase since 2015	—	2 500	3 488
		988	

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Ultimate impact of the enhancement of employment incentive measures.

(2) According to the forecast for May 1, 2020 of the Secrétariat du travail in conjunction with the regulatory impact analysis on the revision of the general rate of the minimum wage.

(3) Single individual working part time.

(4) Couple in which the spouses have equal work incomes for part-time employment at the minimum wage.



## ❑ **Gain from other measures for minimum-wage earners**

Minimum-wage earners working full time will also benefit from the decrease in the tax burden.

The annual tax burden of couples with children will decrease by \$489, including \$289 in tax cuts and \$200 resulting from the abolition of the healthcare contribution. Single-parent families will benefit solely from a \$127 tax cut since they are already exempt from paying the healthcare contribution at this income level.

For each child, families will be able to count on \$100 in additional assistance as regards the supplement for the purchase of school supplies. They will also benefit from an enhanced refundable tax credit for childcare expenses that can reach an additional \$375.

Part-time minimum-wage earners will be able to count on the enhanced work premiums. Such gains will ultimately reach \$587 for childless couples or \$376 for single individuals.

Overall, disposable income will increase by:

- \$1 014 (1.9%) for couples with two children;
- \$602 (1.8%) for single-parent families with one child;
- \$587 (2.2%) for childless couples;
- \$376 (2.3%) for single individuals.

Furthermore, such workers have benefited from a total increase in their work income of 13.7% since 2015. Indeed, the hourly minimum wage will increase from \$10.55 in May 2015 to \$12 in May 2018.

TABLE 12

### Increase in disposable income for minimum-wage earners – In the long run

(in dollars, unless otherwise indicated)

	Couple with two children <sup>(1)</sup>	Single-parent family with one child <sup>(2)</sup>	Childless couple <sup>(3)</sup>	Single individual <sup>(4)</sup>
Work income	50 000	25 000	25 000	15 000
Disposable income (before enhancements)	53 248	32 751	26 878	16 650
<b>Decrease in the tax burden</b>				
– Tax cuts	289	127	—	—
– Abolition of the healthcare contribution	200	—	—	—
Subtotal	489	127	—	—
<b>Family assistance</b>				
– \$100 per child for the purchase of school supplies	200	100	—	—
– Increase on the ceilings of the refundable tax credit for childcare expenses <sup>(5)</sup>	325	375	—	—
Subtotal	525	475	—	—
<b>Work incentive</b>				
– Enhancement of the work premium	—	—	587	376
<b>TOTAL GAIN</b>	<b>1 014</b>	<b>602</b>	<b>587</b>	<b>376</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>54 262</b>	<b>33 354</b>	<b>27 465</b>	<b>17 026</b>
Increase (%)	1.9	1.8	2.2	2.3
<i>Increase in the minimum wage between 2015 and 2018 (%)</i>	<i>13.7</i>	<i>13.7</i>	<i>13.7</i>	<i>13.7</i>

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

(2) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.

(3) Couple in which both spouses have equal work incomes for part-time employment at the minimum wage.

(4) Single individual engaged in part-time employment at the minimum wage.

(5) The non-subsidized childcare service fees for the 4-year-old child are \$9 500 and the school childcare service fees for the 7-year-old child are \$5 000.

## Fewer working hours necessary to get out of poverty

Québec families must work fewer hours to attain the Market Basket Measure (MBM).

The MBM, elaborated by Statistics Canada, represents the cost of a basket of basic goods and services adjusted according to the size of the household.

- The MBM includes food, clothing, transportation, housing and other necessary goods and services such as household necessities and personal care.

In Québec, a person living alone without employment limitations could reach the MBM in 2017 by working at the minimum wage for nearly 30 hours per week. The requisite number of hours will fall to roughly 28 hours per week with the gradual increases in the minimum wage announced by the Québec government.

The hourly minimum wage will reach \$12.40 in Québec in May 2019.<sup>1</sup> In comparison, the Ontario government announced last November that the hourly minimum wage will reach \$15 in 2019.

Even if an Ontario worker benefits from a higher minimum wage than his Québec counterpart, he must work more hours to reach the MBM threshold since the cost of living is higher in Ontario than in Québec.

- In 2018, an Ontario worker will have to work more than 33 hours per week to reach the MBM, while a Québec worker will have to work just under 29 hours.
- In 2019, an Ontario worker will have to work 32 hours per week to reach the MBM, while a Québec worker will have to work just under 28 hours.

### Number of hours required at the minimum wage to reach the MBM – Single individual

(in dollars, unless otherwise indicated)

Ontario					Québec			
Minimum wage <sup>(1)</sup>	Disposable income = MBM <sup>(2)</sup>	To reach the MBM			Minimum wage <sup>(3)</sup>	Disposable income = MBM <sup>(4)</sup>	To reach the MBM	
		Requisite work income	Number of hours required				Requisite work income	Number of hours required
2017	11.60	20 994	23 522	<b>39.0</b>	11.25	17 891	17 285	<b>29.5</b>
2018	14.00	21 540	24 268	<b>33.3</b>	12.00	18 213	17 651	<b>28.3</b>
2019	15.00	22 057	24 988	<b>32.0</b>	12.40	18 541	17 849	<b>27.7</b>

(1) The minimum wage in force as of October 1 of the year for 2017 and starting January 1 for 2018 and 2019.

(2) Market Basket Measure threshold for 2016 for Toronto indexed according to the CPI anticipated for Ontario for each year according to the Conference Board of Canada.

(3) The minimum wage in force as of May 1 of the year.

(4) Market Basket Measure threshold for 2016 for Montréal indexed according to the CPI anticipated for Québec for each year.

1 Forecast for 2019 of the Secrétariat du travail in conjunction with the regulatory impact analysis on the revision of the general rate of the minimum wage.

## ❑ Experienced workers

To make use of all available manpower, aside from work premiums and the tax shield, the government has announced increases in the tax credit for experienced workers.<sup>4</sup> Starting in 2018, workers 61 years of age or over are eligible for the tax credit for experienced workers.

The work income eligible for the tax credit increases with the worker's age so that the amount received rises as the worker approaches retirement.

Workers 61 years of age will benefit from a maximum tax credit of \$450, which can reach \$1 650 for workers 65 years of age or over. What is more, such workers will benefit from a tax cut of \$227 and \$267, respectively.

- Workers 65 years of age or over were already eligible for the measure in 2015. They will benefit from an enhanced tax credit that will represent a net gain of \$1 199.

Overall, disposable income will increase by:

- \$677 (3.1%) for workers 61 years of age;
- \$977 (4.4%) for workers 62 years of age;
- \$1 277 (5.8%) for workers 63 years of age;
- \$1 295 (5.8%) for workers 64 years of age;
- \$1 466 (5.0%) for workers 65 years of age or over.

Moreover, if the workers are working at the minimum wage, they can benefit from a total increase of nearly 13.7% in their work income since 2015.

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<sup>4</sup> The tax credit for experienced workers is reducible according to work income.

TABLE 13

**Increase in disposable income for an experienced worker – 2018**

(in dollars, unless otherwise indicated)

	61 years	62 years	63 years	64 years	65 or over
Work income <sup>(1)</sup>	25 000	25 000	25 000	25 000	25 000
Disposable income (before enhancements)	22 197	22 197	22 197	22 197	29 134
<b>Decrease in the tax burden</b>					
– Tax cuts	127	127	127	127	167
– Abolition of the healthcare contribution	100	100	100	100	100
Subtotal	227	227	227	227	267
<b>Work incentive</b>					
– Enhancement of the tax credit for experienced workers	450	750	1 050	1 068	1 199
<b>TOTAL GAIN</b>	<b>677</b>	<b>977</b>	<b>1 277</b>	<b>1 295</b>	<b>1 466</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>22 874</b>	<b>23 174</b>	<b>23 474</b>	<b>23 492</b>	<b>30 600</b>
Increase (%)	3.1	4.4	5.8	5.8	5.0
<i>Increase in the minimum wage between 2015 and 2018 (%)</i>	<i>13.7</i>	<i>13.7</i>	<i>13.7</i>	<i>13.7</i>	<i>13.7</i>

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Experienced worker engaged in full-time employment at the minimum wage.

## ❑ Illustration of the work incentive for a worker 65 years of age or over

Gilbert is on the verge of retiring at 65 and wonders whether he should accept casual employment as a security guard, which would enable him to remain active and earn work income.

He can already count on benefits under the Québec Pension Plan, withdrawals from a registered retirement savings plan and the federal Old Age Security pension, for annual income of \$32 084.

— He would have an after-tax disposable income upon retirement of \$30 616.

If he decides to work as a part-time security guard, he could earn annual work income of \$25 000, for an after-tax disposable income of \$44 104.

However, Gilbert can benefit from the tax credit for experienced workers, which affords him an annual tax break of \$1 650.

— He would thus keep 60.6% of his additional work income.

Given that the tax credit for experienced workers enhances his financial gain, Gilbert decides to accept casual employment as a security agent.

TABLE 14

### Illustration of Gilbert's disposable income with the tax credit for experienced workers – 2018 (in dollars)

	65-year-old retiree	65-year-old worker
Work income	—	25 000
Québec Pension Plan <sup>(1)</sup>	25 000	25 000
Old Age Security pension	7 084	7 084
<b>Total income</b>	<b>32 084</b>	<b>57 084</b>
Net tax burden <sup>(2)</sup>	–1 468	–12 980
Subtotal	30 616	44 104
Tax credit for experienced workers	—	1 650
<b>DISPOSABLE INCOME</b>	<b>30 616</b>	<b>45 754</b>
Employment earnings (%)	—	60.6

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Including benefits from the Québec Pension Plan and withdrawals from a Registered Retirement Savings Plan.

(2) The net tax burden includes taxes, required contributions and socio-fiscal transfers.

## 2.3 Last-resort financial assistance beneficiaries

The *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023* includes several initiatives to enable the government to combat poverty. The measures include significant enhancements of last-resort financial assistance and the Objectif emploi program.

### 2.3.1 Long-term social solidarity beneficiaries

Households in which an individual has severe employment limitations receive more last-resort financial assistance that takes into account the individual's reduced ability to enter the labour market. The benefit is paid under the Social Solidarity Program, which was enhanced through the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023*.

Beneficiaries of the Social Solidarity Program initially received the same amount of assistance regardless of how long they were covered by the program.

Following the tabling of the action plan, households covered for more than 66 of the 72 preceding months under the Social Solidarity Program will benefit from higher basic income.

Bearing in mind the enhancements of family assistance, the increase in the disposable income of such households will be:

- \$7 277 (20.1%) for couples with two children;
- \$5 380 (22.3%) for single-parent families with one child;
- \$7 488 (39.3%) for childless couples;
- \$5 382 (41.9%) for single individuals.

In the long run, households benefiting from the Social Solidarity Program during at least 66 of the preceding 72 months will benefit from disposable income that reaches:

- \$43 467 for couples with two children;
- \$29 479 for single-parent families with one child;
- \$26 561 for childless couples;
- \$18 238 for single individuals.

TABLE 15

**Increase in disposable income for a household receiving long-term support under the Social Solidarity Program – In the long run**  
(in dollars, unless otherwise indicated)

	Couple with two children <sup>(1)</sup>	Single-parent family with one child <sup>(2)</sup>	Childless couple	Single individual
Work income	—	—	—	—
Disposable income (before enhancements)	36 190	24 099	19 073	12 856
<b>Family assistance</b>				
– \$100 per child for the purchase of school supplies	200	100	—	—
<b>Last-resort financial assistance</b>				
– Enhancement of the Social Solidarity Program	7 488	5 280	7 488	5 280
– Other impacts <sup>(3)</sup>	–411	—	—	102
Subtotal	7 077	5 280	7 488	5 382
<b>TOTAL GAIN</b>	<b>7 277</b>	<b>5 380</b>	<b>7 488</b>	<b>5 382</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>43 467</b>	<b>29 479</b>	<b>26 561</b>	<b>18 238</b>
Increase (%)	20.1	22.3	39.3	41.9

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two children 4 and 7 years of age.

(2) Single-parent family with one 4-year-old child.

(3) This amount represents the impacts of the enhancement of the Social Solidarity Program on the refundable GST tax credit and the Shelter Allowance Program.



## 2.3.2 Other social solidarity beneficiaries

The enhancements will enable those beneficiaries of the Social Solidarity Program who are covered for less than 66 months to ultimately benefit from an annual increase in their benefits of:

- \$1 416 for couples with or without children;
- \$1 236 for single-parent families or single individuals.

Combined with the enhancements of family assistance and the impact on the refundable GST tax credit, disposable income will increase by:

- \$1 616 (4.5%) for couples with two children;
- \$1 336 (5.5%) for single-parent families with one child;
- \$1 416 (7.4%) for childless couples;
- \$1 261 (9.8%) for single individuals.

TABLE 16

### **Increase in disposable income for a household covered for less than 66 months by the Social Solidarity Program – In the long run** (in dollars, unless otherwise indicated)

	<b>Couple with two children<sup>(1)</sup></b>	<b>Single-parent family with one child<sup>(2)</sup></b>	<b>Childless couple</b>	<b>Single individual</b>
Work income	—	—	—	—
Disposable income (before enhancements)	36 190	24 099	19 073	12 856
<b>Family assistance</b>				
– \$100 per child for the purchase of school supplies	200	100	—	—
<b>Last-resort financial assistance</b>				
– Enhancement of the Social Solidarity Program	1 416	1 236	1 416	1 236
– Other impacts <sup>(3)</sup>	—	—	—	25
Subtotal	1 416	1 236	1 416	1 261
<b>TOTAL GAIN</b>	<b>1 616</b>	<b>1 336</b>	<b>1 416</b>	<b>1 261</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>37 806</b>	<b>25 435</b>	<b>20 489</b>	<b>14 116</b>
Increase (%)	4.5	5.5	7.4	9.8

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two children 4 and 7 years of age.

(2) Single-parent family with one 4-year-old child.

(3) This amount represents the impact of the enhancement of the Social Solidarity Program on the refundable GST tax credit.

### 2.3.3 Social assistance beneficiaries

Quebecers without employment limitations and without work income benefit from income support provided essentially by the Social Assistance Program.

Prior to the measures announced by the government, households without limited capacity for employment had income of \$9 461 for single individuals or \$13 577 for childless couples.

In the long run, the disposable income of such families will increase by at least \$540 regardless of their status, a 5.7% increase for single individuals or 4.0% for childless couples.

— As a result of the enhanced Social Assistance Program, the disposable income of households without income will reach \$10 001 for single individuals and \$14 117 for childless couples.

Furthermore, families will also benefit from a \$100 supplement per child for the purchase of school supplies, which will result in a total gain of \$740 for couples and \$640 for single-parent families.

TABLE 17

#### Increase in the disposable income of a household receiving social assistance<sup>(1)</sup> – In the long run

(in dollars, unless otherwise indicated)

	Couple with two children <sup>(2)</sup>	Single-parent family with one child <sup>(3)</sup>	Childless couple	Single individual
Work income	—	—	—	—
Disposable income (before enhancements)	30 694	21 759	13 577	9 461
<b>Family assistance</b>				
– \$100 per child for the purchase of school supplies	200	100	—	—
<b>Last-resort financial assistance</b>				
– Enhancement of the Social Assistance Program	540	540	540	540
<b>TOTAL GAIN</b>	<b>740</b>	<b>640</b>	<b>540</b>	<b>540</b>
<b>INCREASED DISPOSABLE INCOME</b>	<b>31 434</b>	<b>22 399</b>	<b>14 117</b>	<b>10 001</b>
Increase (%)	2.4	2.9	4.0	5.7

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Without employment limitations.

(2) Couple with two children 4 and 7 years of age.

(3) Single-parent family with one 4-year-old child.

## 2.3.4 Broader coverage of needs

### ❑ A coverage rate for a single individual of up to 100% of the Market Basket Measure

In 2018, social assistance beneficiaries who are not employed should have income of \$9 461 without the enhancements announced, which represents a 52% coverage rate of the Market Basket Measure (MBM). The coverage rate is 71 % for single individuals with severe employment limitations.

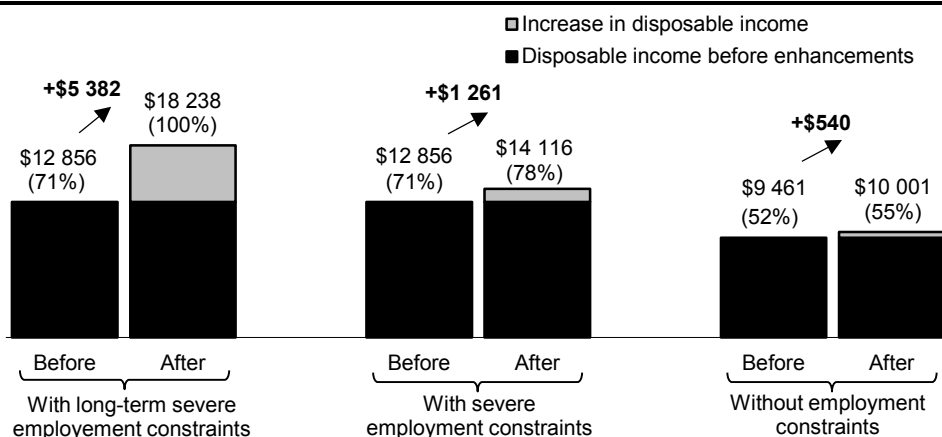
In the long run, the increase in the disposable income of single individuals stemming from the measures that the government has announced will be:

- \$5 382 if they are long-term beneficiaries under the Social Solidarity Program, which will increase their MBM coverage rate from 71% to 100%;
- \$1 261 if they are Social Solidarity Program beneficiaries, which will increase their MBM coverage rate from 71% to 78%;
- \$540 if they are Social Assistance Program beneficiaries, which will increase their MBM coverage rate from 52% to 55%.

Enhanced coverage of the MBM seeks to reduce the persistence of poverty, mainly among long-term recipients under the Social Solidarity Program. Indeed, prolonged absence from the labour market considerably reduces their chances of resuming employment.

CHART 5

### Disposable income of a single individual who is a last-resort financial assistance beneficiary – In the long run (dollars and as a percentage of the MBM)



Note: Since the amounts are rounded, they may not add up to the total shown.

The increase in disposable income takes into account the impact of the enhanced Social Solidarity Program on the refundable GST tax credit.

## The best coverage in Canada of needs for beneficiaries with long-term severe employment limitations

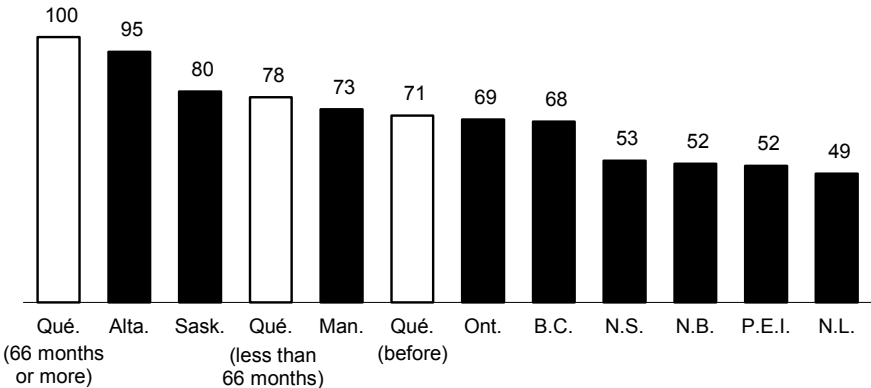
Prior to the enhancements, income support for beneficiaries with severe employment limitations and no work income represented 71% of the Market Basket Measure (MBM).

At that level, Québec had the fourth highest MBM coverage rate in Canada for this clientele.

Québec from now on is offering the highest MBM coverage (100%) for beneficiaries who have been covered by the Social Solidarity Program for at least 66 of the preceding 72 months.

For beneficiaries covered for shorter periods under the Social Solidarity Program, Québec, whose coverage rate has risen from 71% to 78%, now ranks third, ahead of Manitoba.

### Disposable income of beneficiaries with severe employment limitations in relation to the MBM for a single individual – In the long run (as a percentage)



Note: Social assistance systems are based on 2017 parameters, indexed for 2018. Since the provinces use their own definitions of severe employment limitations, the programs offering the highest benefits have been selected. The MBM used is the one that corresponds to the biggest urban agglomeration in the province.

Sources: Ministère du Travail, de l'Emploi et de la Solidarité sociale and Ministère des Finances du Québec.

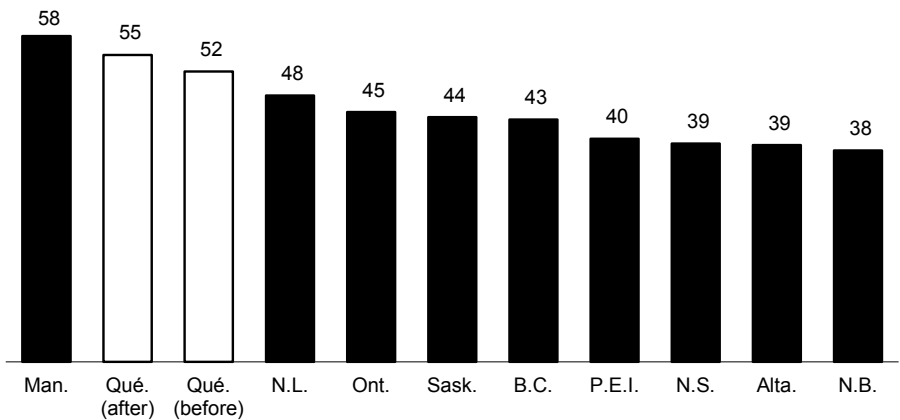
**Some of the highest coverage of needs in Canada for Social Assistance Program beneficiaries**

The initiatives implemented will enhance Québec's situation in relation to the other Canadian provinces from the standpoint of the coverage of the needs of social assistance beneficiaries.

For illustrative purposes, the comparison of Québec's Market Basket Measure (MBM) coverage rate in relation to that of the other provinces pertains to a single individual.

In the long run, Québec will improve its coverage rate of the needs of beneficiaries without employment limitations.

**Disposable income of social assistance beneficiaries in relation to the MBM for a single individual – In the long run**  
(as a percentage)



Note: Social assistance systems are based on 2017 parameters, indexed for 2018. The MBM used is the one that corresponds to the biggest urban agglomeration in the province.  
Sources: Ministère du Travail, de l'Emploi et de la Solidarité sociale and Ministère des Finances du Québec.

# 2.4 Retirees

Retirement is a key stage in life. Several factors are considered in the decision to retire, such as state of health, the nature of the work, but also the availability of the financial wherewithal to retire.

Quebecers will benefit from improvements to the Québec retirement income system. Indeed, when they retire, workers will obtain:

- an enhanced QPP retirement pension;
- additional income through their participation in a voluntary retirement savings plan (VRSP) or another group pension plan.

## ☐ An enhanced Québec Pension Plan that benefits all Québec workers

Regardless of their income level, workers will benefit from the enhanced Québec Pension Plan. Indeed, a Québec worker will ultimately<sup>5</sup> receive at 65 years of age an increased retirement pension of:

- \$1 666 for average work income of \$20 000, for a total annual retirement pension of \$6 666;
- \$3 332 for average work income of \$40 000, for a total annual retirement pension of \$13 332;
- \$7 075 for average work income corresponding to the maximum pensionable earnings, for a total annual retirement pension of \$20 685.

TABLE 18

### Enhancement of the QPP for a worker who has contributed for 40 years<sup>(1)</sup> (in dollars)

	QPP before enhancement	QPP after enhancement	Bonus
Work income of \$20 000	5 000	6 666	1 666
Work income of \$40 000	10 000	13 332	3 332
Work income of \$63 700 <sup>(2)</sup> or more	13 610	20 685	7 075

(1) The level of retirement annuities is presented in 2018 dollars for contributions paid starting in 2025.

(2) This income represents the maximum pensionable earnings of the new plan.

<sup>5</sup> The situation in the long run represents the additional annual pension obtained after 40 years of contribution starting on January 1, 2025.

■ **A bigger retirement pension to raise the standard of living of future retirees**

The retirement pension will be enhanced gradually according to the number of years of contribution.

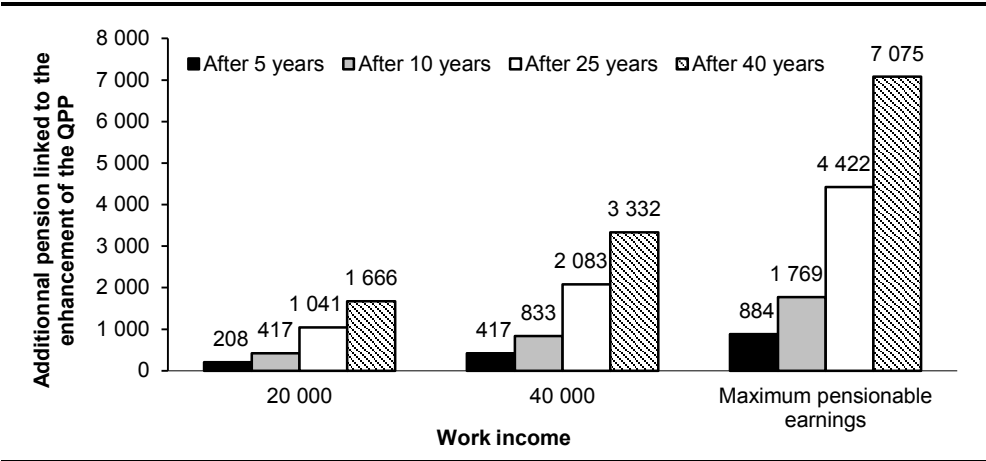
To ensure intergenerational fairness, the increase in retirement income linked to the enhancement of the Québec Pension Plan will be proportional to the number of years of participation in the new plan. Accordingly, up-and-coming generations of workers, who will fund the enhancement, can benefit from a maximum increase in their pensions after 40 years of contribution.

Consequently, when a worker reaches 65 years of age, the maximum additional retirement pension linked to the enhancement of the public plan will stand at:

- \$884 after five years of contributions;
- \$1 769 after 10 years of contributions;
- \$4 422 after 25 years of contributions;
- \$7 075 after 40 years of contributions.

CHART 6

**Enhancement of the QPP retirement pension<sup>(1)</sup>**  
(in dollars)



Note: In 2018, maximum pensionable earnings stand at \$55 900.

(1) The level of retirement annuities is presented in 2018 dollars based on the contributions paid starting January 1, 2025.

## ❑ **Higher retirement income for workers through their participation in a VRSP or a group plan**

The *Voluntary Retirement Savings Plans Act* seeks to protect Québec workers without a group pension plan who are at the greatest risk of having insufficient retirement income.

The Act has significant spinoff since it compels employers to offer their employees a pension plan. Indeed, as a result of the implementation of VRSPs, several tens of thousands of additional workers will now contribute to a private group pension plan.

- It will be much easier for them to save for their retirement and they will obtain higher retirement income than they would have without this possibility.

Let us take the example of a 25-year-old worker now contributing to his employer's VRSP and who plans to contribute to it over the next 40 years at the rate of 4% of his annual salary.

Assuming that the worker's annual income stands at \$45 000 per year of service on average, the worker would accumulate \$189 163 in retirement capital at the age of 65 without the employer's contribution, which corresponds to a retirement pension of \$14 056 per year.

Should the employer also decide to contribute to the VRSP, the worker's retirement capital would increase and stand at:

- \$236 454, if the employer's contribution was 1% of the worker's salary, which would increase the retirement pension to \$17 570 per year;
- \$283 745, if the employer's contribution was 2% of the worker's salary, which would increase the retirement pension to \$21 085 per year.



TABLE 19

**Impact of a VRSP or a private retirement plan on a worker's retirement income**  
(in dollars)

	<b>Retirement capital accumulated after 40 years of participation</b>	<b>Additional annual retirement pension starting at the age of 65<sup>(1)</sup></b>
Employee contribution equivalent to 4% of his annual income <sup>(2)</sup>	189 163	14 056
<b>With employer contribution</b>		
– Employer contribution of 1% of the worker's annual income	236 454	17 570
<i>Increase (\$)</i>	<i>+47 291</i>	<i>+3 514</i>
– Employer contribution of 2% of the worker's annual income	283 745	21 085
<i>Increase (\$)</i>	<i>+94 582</i>	<i>+7 029</i>

Note: The worker's annual income is \$45 000 on average. The real net annual rate of return of the retirement capital is 4.25%.

(1) The additional retirement income corresponds to the purchase using the worker's accumulated retirement capital of a retirement pension (real net rate of return of 4.25%) to be paid to the retiree for 20 years starting at the age of 65.

(2) The 4% contribution rate is the rate that will be stipulated in the long run when new participants automatically enrol in the plan.

## ❑ Illustration of the gain for a retired household

In the long run, the enhancement of the Québec Pension Plan and the implementation of VRSPs will mean that an average-wage earner will benefit upon retirement from an increase in disposable income of:

- \$1 756 following the enhancement of the QPP, a 7.6% increase;
- \$10 266 in the wake of the enhancement of the QPP and the individual's participation in a VRSP, a 44.5% increase.

TABLE 20

### **Increase in the disposable income upon retirement of an average-wage earner – In the long run** (in dollars, unless otherwise indicated)

	Enhancement of the QPP <sup>(1)</sup>			Enhancement of the QPP with participation in the VRSP <sup>(2)</sup>		
	Initial plan	Enhanced plan	Gain	Initial plan	Enhanced plan	Gain
<b>Retirement income</b>						
– Voluntary Retirement Savings Plan	—	—	—	—	14 056	14 056
– Québec Pension Plan	11 250	14 999	3 749	11 250	14 999	3 749
– Old Age Security pension	7 084	7 084	—	7 084	7 084	—
– Guaranteed Income Supplement	3 325	1 453	–1 872	3 325	—	–3 325
Subtotal	21 659	23 536	1 877	21 659	36 138	14 480
<b>Tax expenses and transfers</b>						
– Tax expenses	—	–121	–121	—	–4 098	–4 098
– Basic assistance <sup>(3)</sup>	1 414	1 414	—	1 414	1 299	–115
<b>INCREASED DISPOSABLE INCOME</b>	<b>23 073</b>	<b>24 829</b>	<b>1 756</b>	<b>23 073</b>	<b>33 339</b>	<b>10 266</b>
<i>Increase (%)</i>			<i>7.6</i>			<i>44.5</i>

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) The increase in disposable income represents the situation in the long run according to the hypothesis of a worker with average income of \$45 000 contributing to the QPP for 40 years starting January 1, 2025.

(2) The situation where the worker participates in a VRSP and contributes 4% of his work income, without a contribution from his employer.

(3) The basic assistance includes the refundable GST tax credit and the solidarity tax credit.

### 3. OVERALL IMPACT OF *THE QUÉBEC ECONOMIC PLAN*

Québec is already doing well with respect to the fight against poverty and the redistribution of wealth. Through *The Québec Economic Plan* launched in 2015, the government is stepping up its initiatives to do even more in Québec.

In addition to increasing the disposable income of Quebecers, the measures announced will have a beneficial impact on society. Overall, the tax burden of Québec households will decrease and their quality of life will increase.

- The socio-fiscal transfers granted will increase by 8.4%.

- The tax burden of taxpayers will fall by 5.1%.

From the standpoint of progressivity:

- increased income support has, above all, benefited lower income earners;

- the decrease in the tax burden has, above all, benefited other taxpayers.

*The Québec Economic Plan* has also had a positive impact on economic growth.

- Per capita GDP, the average weekly wage and per capita income grew more markedly between 2016 and 2018 than between 2013 and 2015.

- The unemployment rate since 1976 and the number of last-resort financial assistance beneficiaries are at an all-time low.

From the standpoint of poverty, *The Québec Economic Plan* combined with the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023* will lift more than 160 000 people out of poverty by 2023.

In short, *The Québec Economic Plan* will not only enhance the quality of life of Québec families but will also improve Québec's overall situation.

### 3.1 Increased transfers and reduced taxes for families

The government's initiatives have sought to both reduce the tax burden and increase income support in order to increase the disposable income of the largest number of taxpayers.

Since 2015, the Québec income support program has been enhanced, which, overall, has raised socio-fiscal transfers by 8.4%, in particular through increases in last-resort financial assistance and work premiums.

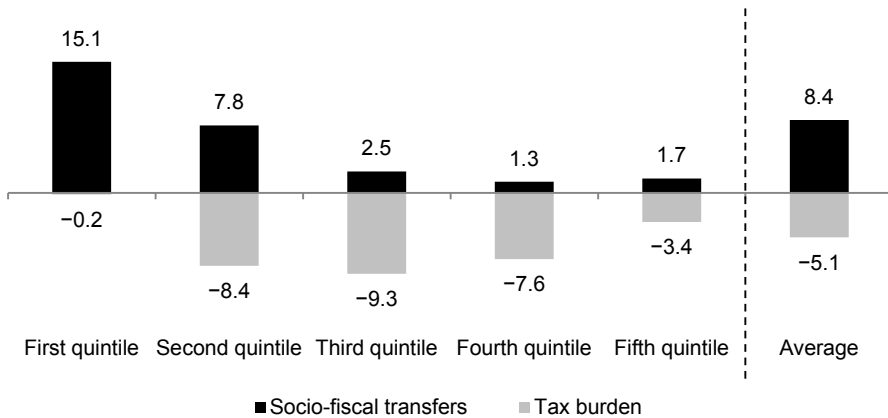
- The most disadvantaged taxpayers pay little or no tax but will benefit from the biggest increase in income support. Indeed, the socio-fiscal transfers of households in the 1<sup>st</sup> quintile will rise by 15.1%.

Furthermore, the tax burden of all taxpayers will, overall, decrease by 5.1% through tax cuts and the abolition of the healthcare contribution.

- The reduced tax burden will principally benefit the middle class.
- The 3<sup>rd</sup> quintile will benefit from the biggest decrease in the tax burden, that is, 9.3%.

CHART 7

**Change in socio-fiscal transfers and the tax burden according to taxpayers' income quintile – In the long run**  
(as a percentage)



### 3.2 Markedly higher household income reflects economic growth and tax relief

Since 2015, Québec's economic growth has accelerated. A comparison of the periods 2013 to 2015 and 2016 to 2018<sup>6</sup> reveals that:

- average annual growth in per capita GDP rose from 2.1% to 2.7%, a 0.6 percentage point increase;
- annual growth in the weekly wage per worker increased on average from 1.8% to 2.3%, up 0.5 percentage point;
- average annual growth in per capita household income increased from 2.5% to 2.7%, up 0.2 percentage point.

These results show that households fully benefited from a stronger economy. On average, annual growth in the per capita pre-tax income measures and transfers mentioned earlier grew by 0.4 percentage point between the periods considered.

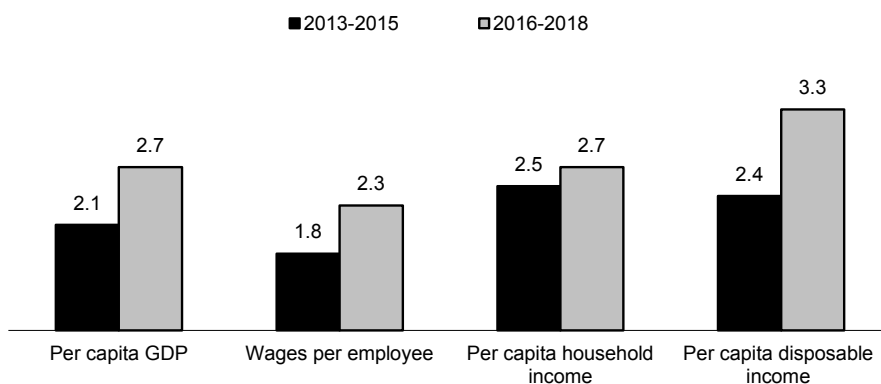
What is more, growth in per capita disposable income, that is, after-tax income and transfers, stood on average at 2.4% from 2013 to 2015 and reached 3.3% from 2016 to 2018.

- The 0.9-percentage point increase between the two periods reflects both:
  - the increase in income stemming from a robust economy;
  - the tax relief and income support measures that the government has implemented since 2015.

CHART 8

#### Growth in certain economic indicators in Québec

(in nominal terms, annual average as a percentage)



Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

<sup>6</sup> Observed statistics for the years 2013 to 2016. For 2017 and 2018, the forecasts used are those of the Ministère des Finances du Québec.

❑ **Unemployment and the number of last-resort financial assistance beneficiaries are at-all times**

Stronger economic growth in Québec is reflected in changes in recent years in the labour market.

More specifically, sustained job creation has led to a significant drop in unemployment in Québec since 2014. The unemployment rate fell from 7.7% in 2014 to 6.1% in 2017, an all-time annual low in Québec.

— What is more, in 2017 Québec’s unemployment rate was below Canada’s unemployment rate (6.3%).

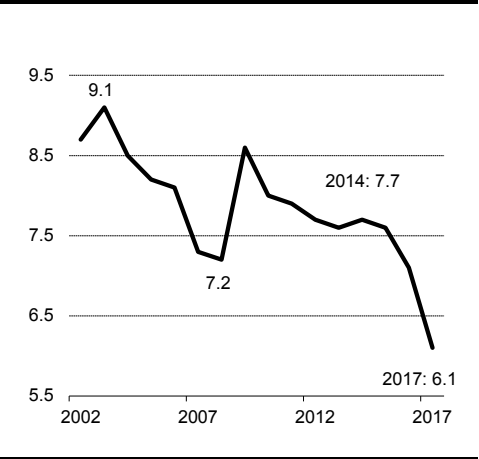
At the same time, the number of last-resort financial assistance beneficiaries in Québec fell substantially.

— In 2017, the number of adult last-resort financial assistance beneficiaries fell to a record low of 326 000.

Labour force participation is a significant means of lifting individuals out of poverty and reducing social exclusion. These results show that Québec households are benefiting from inclusive economic growth.

CHART 9

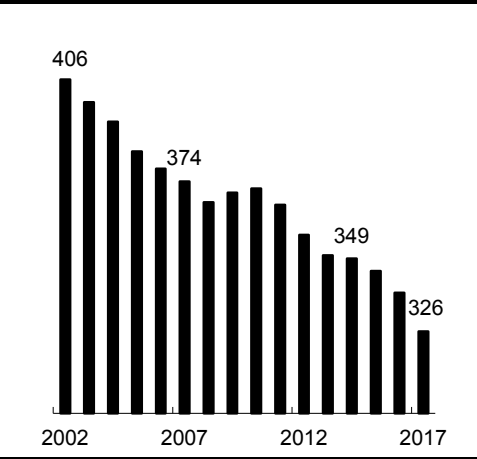
**Québec’s unemployment rate**  
(as a percentage)



Source: Statistics Canada.

CHART 10

**Number of adult last-resort financial assistance beneficiaries in Québec**  
(in thousands of persons)



Sources: Ministère du Travail, de l'Emploi et de la Solidarité sociale and calculation of the Ministère des Finances du Québec.

## ❑ Robust job creation that is benefiting households

Québec's sound economic situation is reflected in a dynamic labour market.

- Over the past 10 years, more than 384 000 jobs have been created in Québec, including 163 600 between 2014 and 2017.

Moreover, the share of individuals employed in high-quality jobs in Québec has risen more rapidly than that of workers occupying average- or low-quality jobs. Indeed, between 2007 and 2016, the share of:

- high-quality jobs rose from 20.8% to 26.5%;
- average-quality jobs rose from 40.2% to 41.6%;
- low-quality jobs decreased from 39.1% to 31.9%.

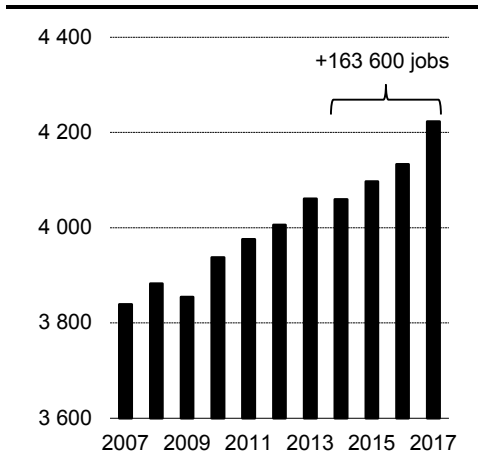
In Québec, employment has been a powerful mechanism for transmitting economic wealth to households.

- Strong labour force participation and the gain in high-quality jobs are two of the main vectors to reducing poverty and promoting social inclusion.

CHART 11

### Employment among Quebecers 15 years of age or over

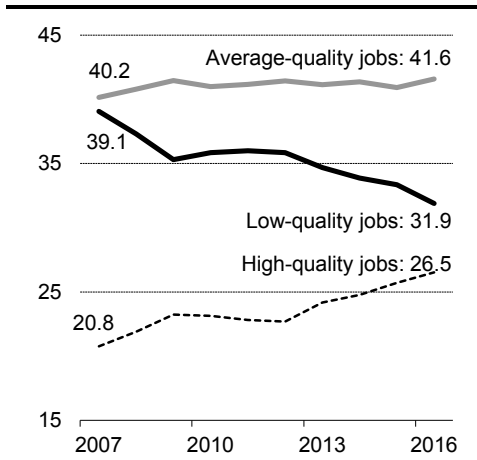
(in thousands of jobs)



Source: Statistics Canada.

CHART 12

### Breakdown of wage earners in Québec by level of quality of employment (as a percentage)



Source: Institut de la statistique du Québec.

### 3.3 More than 160 000 individuals will be lifted out of poverty

The Québec government's initiatives have had a tangible impact on the quality of life of the poorest households. Whether through the enhancement of the income support program or the promotion of work effort, the measures implemented in recent years have significantly enhanced the situation of thousands of households.

Low-income Quebecers are benefiting from enviable support, especially bearing in mind the cost of living in Québec.

In order to gradually rank Québec among the industrialized nations with the fewest poor people, the government sought to lift more than 100 000 individuals out of poverty in conjunction with the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023*.

An estimated 160 000 individuals will be lifted out of poverty at the conclusion of the action plan. The attainment of this objective stems from the combined impact of three key factors:

- the measures in the *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023* and *The Québec Economic Plan*;
- increases in the minimum wage, so that it corresponds by 2020 to 50% of the average hourly wage;
- sound economic performance, especially through the creation of jobs that low-income individuals can take up and that will enable a number of households to get out of poverty as a result of economic conditions.

In addition to these factors, the measures announced in *The Québec Economic Plan — March 2018* and more robust economic growth will enable greater numbers of individuals to get out of poverty.

TABLE 21

#### **Estimated number of individuals who will be lifted out of poverty**

	<b>Number of individuals lifted out of poverty</b>
Measures in the <i>Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023</i> and <i>The Québec Economic Plan</i>	100 000
Increases in the minimum wage	22 000
Economic conditions conducive to job creation	40 000
<b>TOTAL</b>	<b>162 000</b>

Source: Ministère du Travail, de l'Emploi et de la Solidarité sociale, *Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023*.



## APPENDIX: DETAILS OF THE INCREASE IN DISPOSABLE INCOME

TABLE 22

**Details of the increase in disposable income for a couple with two children<sup>(1)</sup> – In the long run**  
(in dollars, unless otherwise indicated)

Family work income	Disposable income	Decrease in the tax burden			Enhanced family assistance			Enhanced LRFA	Increased disposable income		
		Tax cuts	Abolition of the healthcare contribution	Sub-total	\$100 per school-aged child	Tax credit for childcare expenses	Sub-total	Social assistance	Total gain	Disposable income	%
—	30 694	—	—	—	200	—	200	540	740	31 434	2.4
5 000	34 370	—	—	—	200	—	200	540	740	35 110	2.2
15 000	36 899	—	—	—	200	—	200	540	740	37 639	2.0
25 000	43 905	—	—	—	200	—	200	—	200	44 105	0.5
35 000	49 078	141	—	141	200	—	200	—	341	49 419	0.7
45 000	52 563	239	200	439	200	—	200	—	639	53 202	1.2
50 000	53 248	289	200	489	200	325	525	—	1 014	54 262	1.9
65 000	58 562	439	200	639	200	300	500	—	1 139	59 701	1.9
75 000	63 211	539	200	739	200	300	500	—	1 239	64 449	2.0
90 000	70 952	673	400	1 073	200	300	500	—	1 573	72 525	2.2
100 000	75 520	673	400	1 073	200	285	485	—	1 558	77 077	2.1
125 000	89 187	673	400	1 073	200	285	485	—	1 558	90 744	1.7
150 000	101 272	673	400	1 073	200	210	410	—	1 483	102 755	1.5
175 000	113 308	673	400	1 073	200	130	330	—	1 403	114 711	1.2
200 000	126 292	673	400	1 073	200	130	330	—	1 403	127 695	1.1

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes and a child 4 years of age attending a non-subsidized childcare service and a 7-year-old child attending a school childcare service.

TABLE 23

# Details of the increase in disposable income for a single-parent family with one child<sup>(1)</sup> – In the long run

(in dollars, unless otherwise indicated)

Work income	Disposable income	Decrease in the tax burden			Enhanced family assistance			Enhanced LRFA	Increased disposable income		
		Tax cuts	Abolition of the healthcare contribution	Sub-total	\$100 per school-aged child	Tax credit for childcare expenses	Sub-total	Social assistance <sup>(2)</sup>	Total gain	Disposable income	%
—	21 759	—	—	—	100	—	100	540	<b>640</b>	<b>22 399</b>	2.9
5 000	24 655	—	—	—	100	—	100	486	<b>586</b>	<b>25 241</b>	2.4
10 000	26 244	—	—	—	100	—	100	486	<b>586</b>	<b>26 830</b>	2.2
15 000	28 221	—	—	—	100	—	100	—	<b>100</b>	<b>28 321</b>	0.4
25 000	32 751	127	—	127	100	375	475	—	<b>602</b>	<b>33 354</b>	1.8
30 000	35 389	177	100	277	100	375	475	—	<b>752</b>	<b>36 141</b>	2.1
35 000	38 726	227	100	327	100	375	475	—	<b>802</b>	<b>39 529</b>	2.1
45 000	42 711	336	200	536	100	340	440	—	<b>976</b>	<b>43 687</b>	2.3
50 000	44 308	336	200	536	100	320	420	—	<b>956</b>	<b>45 264</b>	2.2
65 000	50 884	336	200	536	100	300	400	—	<b>936</b>	<b>51 820</b>	1.8
75 000	56 068	336	200	536	100	300	400	—	<b>936</b>	<b>57 004</b>	1.7
100 000	69 499	336	200	536	100	285	385	—	<b>921</b>	<b>70 420</b>	1.3

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Single-parent family with one child 4 years of age attending a non-subsidized childcare service.

(2) This amount includes the enhancement of social assistance and its impact on the work premium.

TABLE 24

# **Details of the increase in disposable income for a childless couple<sup>(1)</sup> – In the long run** (in dollars, unless otherwise indicated)

Family work income	Disposable income	Decrease in the tax burden			Enhanced work incentive	Enhanced LRFA	Increased disposable income		
		Tax cuts	Abolition of the healthcare contribution	Sub-total	Work premium	Social assistance	Total gain	Disposable income	%
—	13 577	—	—	—	—	540	540	14 117	4.0
5 000	17 562	—	—	—	64	540	604	18 166	3.4
15 000	20 312	—	—	—	524	540	1 064	21 376	5.2
25 000	26 878	—	—	—	587	—	587	27 465	2.2
35 000	33 230	141	—	141	—	—	141	33 371	0.4
45 000	38 666	239	200	439	—	—	439	39 104	1.1
50 000	41 455	289	200	489	—	—	489	41 944	1.2
65 000	50 786	439	200	639	—	—	639	51 424	1.3
75 000	57 299	539	200	739	—	—	739	58 038	1.3
90 000	66 806	673	400	1 073	—	—	1 073	67 879	1.6
100 000	72 608	673	400	1 073	—	—	1 073	73 680	1.5
125 000	87 612	673	400	1 073	—	—	1 073	88 685	1.2
150 000	103 223	673	400	1 073	—	—	1 073	104 295	1.0
175 000	118 924	673	400	1 073	—	—	1 073	119 996	0.9
200 000	133 020	673	400	1 073	—	—	1 073	134 093	0.8

Note: Since the amounts are rounded, they may not add up to the total shown.

(1) Couple with two equal work incomes.

TABLE 25

**Details of the increase in disposable income for a single individual – In the long run**  
(in dollars, unless otherwise indicated)

Work income	Disposable income	Decrease in the tax burden			Enhanced work incentive	Enhanced LRFA	Increased disposable income		
		Tax cuts	Abolition of the healthcare contribution	Sub-total	Work premium	Social assistance <sup>(1)</sup>	Total gain	Disposable income	%
—	9 461	—	—	—	—	540	540	10 001	5.7
5 000	12 607	—	—	—	76	551	627	13 234	5.0
10 000	13 989	—	—	—	300	551	851	14 840	6.1
15 000	16 650	—	—	—	376	—	376	17 026	2.3
25 000	22 197	127	100	227	—	—	227	22 424	1.0
30 000	25 454	177	100	277	—	—	277	25 731	1.1
35 000	28 710	227	100	327	—	—	327	29 038	1.1
45 000	33 838	336	200	536	—	—	536	34 374	1.6
50 000	36 407	336	200	536	—	—	536	36 943	1.5
65 000	45 366	336	200	536	—	—	536	45 903	1.2
75 000	51 611	336	200	536	—	—	536	52 148	1.0
100 000	66 510	336	200	536	—	—	536	67 047	0.8

Note: Since the amounts are rounded, they may not add up to the total shown.  
(1) This amount includes the enhancement of social assistance and its impact on the refundable GST tax credit.