

## Prepared by Vince Calderhead

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#### **Briefing Note on what the NS Budget (2021-22) actually provides for people on Social Assistance**

The NS Provincial Budget (March 25, 2021) impacts the Nova Scotia government benefits available for people in receipt of social assistance as follows:

- i) Standard Household Rate ('SHR'): The SHR is the combination of the former Personal and Shelter allowances under the Province's Income Assistance program. It is payable regardless of *actual* rent paid by the recipient. The amount of the SHR is determined by family size and living circumstances (e.g., owning/renting or boarding). The current rates are found here.

This year's Budget contains a \$100 increase for each adult in the household starting in May 2021. This represents an increase of between 8% to 20% in assistance depending on whether there is/are one or two adults in the family unit and whether they are boarding or renting/own.

- ii) The Poverty Reduction Credit ('PRC'): The PRC is payable to only one adult within a single person or two-person household in receipt of social assistance— with no children. The Credit is \$500.00/p.a. (i.e., \$41.67/mo.). There is NO increase announced in this year's Budget, though the eligibility ceiling for the PRC was increased from below \$12,000 in annual adjusted income in the previous tax year to \$16,000.
- iii) The Affordable Living Tax Credit is payable to low-income individuals or families with children: the current annual amount is \$255 for an individual, couples or a parent (i.e., \$21.25/mo.) **and** \$60.00/p.a. per child (i.e., \$5.00/mo.). The current amounts have NOT changed under this year's Budget, and
- iv) The Nova Scotia Child Benefit: \$77.08/mo. for a first child, \$68.75/mo. for a second child and \$75.00/mo. for a third and each additional child. These have NOT changed under this year's Budget.

Over the next few pages are some illustrations of the Province's announcement in its 2021-2022 Budget for people in receipt of maximum basic needs assistance and the overall impact on recipients' total annual income. This information is then used to compare the total incomes for each situation to Canada's official poverty line. Canada's poverty line was formally adopted into law in 2019 and is meant to reflect 'the cost of a basket of goods and services representing a **modest, basic standard of living in Canada.**'

**Single adult without disabilities (owning or renting)**

	<u>2020-21 (Monthly)</u>	<u>2021-22 (Monthly)<sup>1</sup></u>
Standard Household Rate	\$586	\$686
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit	\$41.67	\$41.67
Total of provincial benefits:	\$648.92	\$748.92
<b>Federal tax credits:</b>		
GST	\$23.92	\$24.67
<b>TOTAL INCOME:</b>	<b>\$672.84/mo. or</b>	<b>\$773.59/mo. or</b>
	<b>\$8,074.08/p.a.</b>	<b>\$9,283.08/p.a.</b>
Poverty Line threshold (Halifax)	\$22,936/p.a.	\$23,003/p.a.
Total Income minus Poverty Line threshold	-\$14,861.92	-\$13,719.92
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>35.2%</b>	<b>40.4%</b>

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<sup>1</sup> The increased rates are effective as of May 2021.

**Single adult (Boarding)**

(**Note:** about 22% of all Income Assistance cases are single people who are classified as ‘boarders’)

	<u>2020-21 (Monthly)</u>	<u>2021-22 (Monthly)</u>
Standard Household Rate	\$508	\$608
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit	\$41.67	\$41.67
Total of provincial benefits:	\$570.92	\$670.92
<b>Federal tax credits:</b>		
GST	\$23.92	\$24.67
<b>TOTAL INCOME:</b>	<b>\$594.84/mo. or</b>	<b>\$695.59/mo. or</b>
	<b>\$7,138.08/p.a.</b>	<b>\$8,347.08/p.a.</b>
Poverty Line threshold (Halifax)	\$22,936/p.a.	\$23,003/p.a.
Total Income minus Poverty Line threshold	-\$15,797.92/p.a.	-\$14,655.92/p.a.
<b>Total Income as % of Canada’s Official Poverty Line</b>	<b>31.1%</b>	<b>36.3%</b>

**Single adult with disabilities (owning or renting)**

	<u>2020-21 (Monthly)</u>	<u>2021-22 (Monthly)</u>
Standard Household Rate	\$850	\$950
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit:	\$41.67	\$41.67
Total of provincial benefits:	<b>\$912.92</b>	<b>\$1,012.92</b>
<b>Federal tax credits:</b>		
GST	\$24.67	\$25.33
<b>TOTAL INCOME:</b>	<b>\$937.59/mo. or</b>	<b>\$1,038.25/mo. or</b>
	<b>\$11,251.08/p.a.</b>	<b>\$12,459.00/p.a.</b>
Poverty Line threshold (Halifax)	\$22,936/p.a.	\$23,003/p.a.
Total Income minus Poverty Line threshold	-\$11,684.92/p.a.	-\$10,544.00/p.a.
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>49.1%</b>	<b>54.2%</b>

**Single-parent with a two-year old child (owning or renting)**

	<u>2020-21 (Monthly)</u>	<u>2021-22 (Monthly)</u>
Standard Household Rate:	\$862	\$962
NS Child Benefit:	\$77.08	\$77.08
Affordable Living Tax Credit: $(\$21.25 + \$ 5.00) = \$26.25$	$(\$21.25 + \$ 5.00) = \$26.25$	$(\$21.25 + \$ 5.00) = \$26.25$
Total of provincial benefits:	<b>\$965.33</b>	<b>\$1,065.33</b>
<b>Federal tax credits:</b>		
GST	\$60.42	\$62.92
Canada Child Benefit	\$563.75	\$569.42
<b>TOTAL INCOME:</b>	<b>\$1,589.50/mo. or</b>	<b>\$1,697.67/mo. or</b>
	<b>\$19,074.00/p.a.</b>	<b>\$20,372.04/p.a.</b>
Poverty Line threshold (Halifax)	\$32,436/p.a.	\$32,530/p.a.
Total Income minus Poverty Line threshold	<b>-\$13,362.00/p.a.</b>	<b>-\$12,157.96/p.a.</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>58.8%</b>	<b>62.6%</b>

**Couple with two children (aged 10 and 15) (owning or renting)**

	<u>2020-21 (Monthly)</u>	<u>2021-22 (Monthly)</u>
Standard Household Rate:	\$1,193	\$1,393
NS Child Benefit:     (\$52.08 + \$68.75) =	\$145.83	(\$77.08 + \$68.75) = \$145.83
Affordable Living Tax Credit: (\$21.25 + \$ 5.00 x 2) =	\$31.25	(\$21.25 + \$ 5.00 x 2) = \$31.25
Total of provincial benefits:	<b>\$1,370.08</b>	<b>\$1,570.08</b>
<b>Federal tax credits:</b>		
GST	\$73.00	\$76.00
Canada Child Benefit	\$960.83	\$1,049.83
<b>TOTAL INCOME:</b>	<b>\$2,403.91/mo. or</b>	<b>\$2,695.91/mo. or</b>
	<b>\$28,846.92/p.a.</b>	<b>\$32,350.92p.a.</b>
Poverty Line threshold (Halifax)	\$45,872/p.a.	\$46,005/p.a.
Total Income minus Poverty Line threshold	<b>-\$17,025.08/p.a.</b>	<b>-\$13,654.08/p.a.</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>62.9%</b>	<b>70.3%</b>

## Observations

For many years, the United Nations body which monitors Canada’s (and Nova Scotia’s) compliance with its international human rights obligations was critical of Canada for having failed to establish an official poverty line: “The absence of an official poverty line makes it difficult to hold the federal, provincial and territorial governments accountable with respect to their obligations [to realize the right of everyone to an adequate standard of living] under [the Covenant](#).” Moreover, the [UN Committee on Economic, Social and Cultural Rights also urged Canada](#) “to establish officially a poverty line and to establish social assistance at levels which ensure the realization of an adequate standard of living for all.” (1998)

It needs to be borne in mind that the burden of poverty is not shared equally in Nova Scotia; members of equality-seeking groups are disproportionately made to shoulder the burden of poverty. The Province acknowledged this in its Budget 2021 Speech.

The results of this analysis make clear just how far Nova Scotia must go to ensure that social assistance recipients have an income which brings them to the poverty line and, therewith, able to realize their fundamental human right to an adequate standard of living.

### Adequacy of Social Assistance Incomes in Nova Scotia (April 2021)

**Note:** StatsCan considers people living at less than 75% of the poverty line to be living in ‘deep poverty’.

	Single Adult (Boarding)	Single Person Considered Employable (Owning or Renting)	Single Person With A Disability	Single Parent, One Child	Couple, Two Children
<b>Total Income</b>	\$8,347	\$9,283	\$12,459	\$20,372	\$32,351
<b>Official Poverty Line (‘OPL’)</b>					
<b>OPL Threshold (Halifax)</b>	\$23,003	\$23,003	\$23,003	\$32,530	\$46,005
<b>Total Income Minus OPL Threshold</b>	-\$14,656	-\$13,720	-\$10,544	-\$12,158	-\$13,654
<b>Total Income as % of OPL</b>	36.3%	40.4%	54.2%	62.6%	70.3%