

## McDonald, David S

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**From:** Vince Calderhead <vcalderhead@pinklarkin.com>  
**Sent:** April 13, 2022 8:27 PM  
**To:** Office of the Legislative Counsel  
**Cc:** Claire McNeil  
**Subject:** re Law Amendments Committee: Submission from Vince Calderhead re Bill 149: Financial Measures (2022) Act  
**Attachments:** Briefing Note on the 2022 NS Budget for people on Social Assistance and the right to an adequate income rev. Apr 2022.pdf

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To Whom it May Concern;

I am attaching a copy of my Submission re Bill 149.

I have been told that I have been scheduled to make submissions to the Law Amendments Committee at 10:15am on Thursday, April 14<sup>th</sup>.

I would kindly ask that copies be provided to members of the Committee.

Thanks in advance,

Vince Calderhead  
[Pink Larkin](#)

**Briefing Note on what the NS Budget (2022-23) actually provides for people on Social Assistance**

The [NS Provincial Budget](#) (March 29, 2022) 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 no increase in monthly rates.
- 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.
- 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](#): \$106.25/mo. for a first child and each additional child. This year's Budget increased the monthly amount for the first child to \$106.25 from \$77.08 and increased the amount for subsequent children to the same amount.

Over the next few pages are some illustrations of the Province's announcement in its 2022-2023 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>2021-2022 (Monthly)</u>	<u>2022-23 (Monthly)</u>
<b>Provincial Benefits</b>		
Standard Household Rate	\$686	\$686
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit	\$41.67	\$41.67
Total <sup>1</sup>	\$748.92	\$748.92
<b><u>Provincial Benefits year-over-year change: Adjusted for Inflation</u></b>		
Provincial benefits increase in fiscal year 2022-23		\$0
Percentage provincial benefits increase in fiscal year 2022-23		0%
Projected increase in the cost of living in fiscal year 2022-23 <sup>2</sup>		4.2%
<b><u>Real (inflation-adjusted) decrease</u> for fiscal year 2022-23</b>		<b>\$31.45/mo. or 4.2%</b>
<b>Federal tax credits:</b>		
GST	\$24.67	\$25.50
<b>TOTAL INCOME:</b>	<b>\$773.59/mo. or</b>	<b>\$774.42/mo. or</b>
	<b>\$9,283.08/p.a.</b>	<b>\$9,293.04/p.a.</b>
<b><u>Poverty Line Reality Check</u></b>		
Official Poverty Line (Halifax)	\$24,217/p.a.	\$26,404/p.a. <sup>3</sup>
Total Income minus Poverty Line ('poverty gap')	<b>-\$14,933.92</b>	<b>-\$17,110.96</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>38.3%</b>	<b>35.2%</b>

<sup>1</sup> In these calculations of monthly allowances, no account is taken of the Province's announcement of a one-time payment of \$150 per person. When [announced](#) on March 24, 2022, the payment was in the wake of increased living costs with no commitment to further payments nor increases to the base rates which is the subject of this analysis.

<sup>2</sup> Nova Scotia: [Budget 2022-2023](#) (March 29, 2022) at page 64 which indicates a forecast increase in the cost of living during 2022-23 of 4.2%

<sup>3</sup> The figures used here for the Official Poverty Line (Market Basket Measure) were taken from [recently released Statistics Canada 2020 MBM data](#) for Halifax and adjusted for inflation by using updated CPI data and the Budget CPI forecast for 2022-23.

**Single adult (Boarding)**

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

	<u>2021-22 (Monthly)</u>	<u>2022-23 (Monthly)</u>
<b>Provincial Benefits</b>		
Standard Household Rate	\$608	\$608
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit	\$41.67	\$41.67
Total	\$670.92	\$670.92
 <b><u>Provincial Benefits year-over-year change: Adjusted for Inflation</u></b>		
Provincial benefits increase in fiscal year 2022-23		\$0
Percentage provincial benefits increase in fiscal year 2022-23		0%
Projected increase in the cost of living in fiscal year 2022-23		4.2%
<b><u>Real (inflation-adjusted) decrease</u> for fiscal year 2022-23</b>		<b>\$28.18/mo. or 4.2%</b>
<b>Federal tax credits:</b>		
GST	\$24.67	\$25.50
<b>TOTAL INCOME:</b>	<b>\$695.59/mo. or</b>	<b>\$696.42/mo. or</b>
	<b>\$8,347.08/p.a.</b>	<b>\$8,357.04/p.a.</b>
 <b><u>Poverty Line Reality Check</u></b>		
Official Poverty Line threshold (Halifax)	\$24,217/p.a.	\$26,404/p.a.
Total Income minus Poverty Line (‘poverty gap’)	-\$15,869.92/p.a.	-\$18,046.96/p.a.
<b>Total Income as % of Canada’s Official Poverty Line</b>	<b>34.5%</b>	<b>31.7%</b>

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

	<u>2021-22 (Monthly)</u>	<u>2022-23 (Monthly)</u>
<b>Provincial Benefits</b>		
Standard Household Rate	\$950	\$950
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit:	\$41.67	\$41.67
Total	<b>\$1,012.92</b>	<b>\$1,012.92</b>
 <b><u>Provincial Benefits year-over-year change: Adjusted for Inflation</u></b>		
Provincial benefits increase in fiscal year 2022-23		\$0
Percentage provincial benefits increase in fiscal year 2022-23		0%
Projected increase in the cost of living in fiscal year 2022-23		4.2%
<b><u>Real (inflation-adjusted) <u>decrease</u> for fiscal year 2022-23</u></b>		<b>\$42.54/mo. or 4.2%</b>
 <b>Federal tax credits:</b>		
GST	\$25.33	\$27.97
<b>TOTAL INCOME:</b>	<b>\$1,038.25/mo. or</b>	<b>\$1,040.89/mo., or</b>
	<b>\$12,459.00/p.a.</b>	<b>\$12,490.68/p.a.</b>
 <b><u>Poverty Line Reality Check</u></b>		
Poverty Line threshold (Halifax)	\$24,217/p.a.	\$26,404/p.a.
Total Income minus Poverty Line ('poverty gap')	<b>-\$11,758.00/p.a.</b>	<b>-\$13,913.32/p.a.</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>51.4%</b>	<b>47.3%</b>

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

	<u>2021-22 (Monthly)</u>	<u>2022-23 (Monthly)</u>
<b>Provincial Benefits</b>		
Standard Household Rate:	\$962	\$962
NS Child Benefit:	\$77.08	\$106.25
Affordable Living Tax Credit: $(\$21.25 + \$ 5.00) = \$26.25$	$(\$21.25 + \$ 5.00) = \$26.25$	$(\$21.25 + \$ 5.00) = \$26.25$
<b>Total</b>	<b>\$1,065.33</b>	<b>\$1,094.50</b>

**Provincial Benefits year-over-year change: Adjusted for Inflation**

Provincial benefits increase in fiscal year 2022-23	\$29.17
Percentage provincial benefits increase in fiscal year 2022-23	2.7%
Projected increase in the cost of living in fiscal year 2022-23	4.2%
<b><u>Real (inflation-adjusted) decrease</u> for fiscal year 2022-23</b>	<b>\$15.98/mo. or 1.5%</b>

**Federal tax credits:**

GST	\$62.92	\$64.42
Canada Child Benefit	\$569.41	\$583.08
<b>TOTAL INCOME:</b>	<b>\$1,697.67/mo. or</b>	<b>\$1,742.00/mo. or</b>
	<b>\$20,371.92/p.a.</b>	<b>\$20,904.00/p.a.</b>

**Poverty Line Reality Check**

Poverty Line threshold (Halifax)	\$33,905/p.a.	\$36,966/p.a.
Total Income minus Poverty Line ('poverty gap')	<b>-\$13,533.08/p.a.</b>	<b>-\$16,062/p.a.</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>60.1%</b>	<b>56.5%</b>

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

	<u>2021-22 (Monthly)</u>	<u>2022-23 (Monthly)</u>
<b>Provincial Benefits</b>		
Standard Household Rate:	\$1,393	\$1,393
NS Child Benefit: (\$52.08 + \$68.75) =	\$145.83	(\$106.25 + \$106.25) = \$212.50
Affordable Living Tax Credit: (\$21.25 + \$ 5.00 x 2) =	\$31.25	(\$21.25 + \$ 5.00 x 2) = \$31.25
<b>Total</b>	<b>\$1,570.08</b>	<b>\$1,636.75</b>

**Provincial Benefits year-over-year change: Adjusted for Inflation**

Provincial benefits increase in fiscal year 2022-23	\$66.67
Percentage provincial benefits increase in fiscal year 2022-23	4.2%
Projected increase in the cost of living in fiscal year 2022-23	4.2%
<b><u>Real (inflation-adjusted) <a href="#">increase</a> for fiscal year 2022-23</u></b>	<b>\$ 0/mo. or 0%</b>

**Federal tax credits:**

GST	\$76.00	\$77.83
Canada Child Benefit	\$960.83	\$983.83
<b>TOTAL INCOME:</b>	<b>\$2,606.91/mo. or</b>	<b>\$2,698.41/mo. or</b>
	<b>\$31,282.92/p.a.</b>	<b>\$32,380.92p.a.</b>
Poverty Line threshold (Halifax)	\$48,435/p.a.	\$52,808/p.a.
Total Income minus Poverty Line ('poverty gap')	<b>-\$17,152.08/p.a.</b>	<b>-\$20,427.08/p.a.</b>
<b>Total Income as % of Canada's Official Poverty Line</b>	<b>64.6%</b>	<b>61.3%</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](#).” The [UN Committee on Economic, Social and Cultural Rights went on to urge 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) Two decades later, in 2019, Canada [formally enacted a poverty line](#)—applicable to all provinces in Canada.

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—and Nova Scotia’s obligation to provide—an adequate standard of living. In all family scenarios analysed, this year’s Provincial Budget represents a clear step *backward* in the Province’s human rights obligation to provide an adequate income.

### Adequacy of Social Assistance Incomes in Nova Scotia (March 2022)

**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>	\$8,357	\$9,293	\$12,491	\$20,904	\$32,381
<b>Official Poverty Line (‘OPL’)</b>					
<b>OPL Threshold (Halifax)</b>	\$26,404 <sup>4</sup>	\$26,404	\$26,404*	\$36,966	\$52,808
<b>Total Income Minus OPL Threshold</b>	-\$18,047	-\$17,111	-\$13,913	-\$16,062	-\$20,427
<b>Total Income as % of OPL (Last year’s figure in brackets)</b>	31.7% (34.5)	35.2% (38.3)	47.3% (51.4)	56.5% (60.1)	61.3% (64.6)

\*Statistics Canada readily acknowledges that its Official Poverty Line fails to take into account *any* living costs experienced by persons with a disability. Accordingly, the ‘Total Income as a % of the OPL’ for a person with a disability is in all likelihood actually well below 50%.

<sup>4</sup> See footnote #3 above.