

Briefing Note on what the NS Budget (2023-24) actually provides for people on Social Assistance

Prepared by Vince Calderhead

[Pink Larkin](#)

March 23, 2023 (rev.
March 26, 2023)

The [NS Provincial Budget](#) (March 23, 2023) 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](#): \$127.08/mo. for a first child and each additional child. This year's Budget increased the monthly amount for the first child to \$127.08 from \$106.25 and increased the amount for subsequent children similarly.

Over the next few pages are some illustrations of the impact of Province's 2023-2024 Budget for people in receipt of maximum basic needs assistance, together with 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>2022-2023 (Monthly)</u>	<u>2023-24 (Monthly)</u>
Provincial Benefits		
Standard Household Rate	\$686	\$686
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit	\$41.67	\$41.67
Total	\$748.92	\$748.92
<u>Provincial Benefits year-over-year change: Adjusted for Inflation</u>		
Provincial benefits increase in fiscal year 2023-24		\$0
Percentage provincial benefits increase in fiscal year 2023-24		0%
Projected increase in the cost of living in fiscal year 2023-24 ¹		3.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2023-24		\$27.71/mo. or 3.7%
Federal tax credits:		
GST	\$25.50	\$27.08
TOTAL INCOME:	\$774.42/mo. or	\$776.00/mo. or
	\$9,293.04/p.a.	\$9,312.00/p.a.
<u>Poverty Line Reality Check</u>		
Official Poverty Line (Halifax)	\$26,404/p.a.	\$27,631/p.a.²
Total Income minus Poverty Line ('poverty gap')	-\$14,933.92	-\$18,319.00
Total Income as % of Canada's Official Poverty Line	35.2%	33.7%

¹ Nova Scotia: [Budget 2023-2024](#) (March 23, 2023) at page 60 indicates a forecast increase in the cost of living during 2023-24 of **3.7%**.

² The Official Poverty Line ('Market Basket Measure') figures used here are based on the recently released Statistics Canada '[Market Basket Measure \(MBM\) thresholds](#) for the reference family by Market Basket Measure region, component and base year' (January 2023) for Halifax and adjusted for inflation by using [updated CPI data](#) for Nova Scotia (released March 2023) together with the Budget CPI inflation forecast for 2022-23 (see note 1 above).

Single adult (Boarding)

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

	<u>2022-23 (Monthly)</u>	<u>2023-24 (Monthly)</u>
Provincial Benefits		
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
 <u>Provincial Benefits year-over-year change: Adjusted for Inflation</u>		
Provincial benefits increase in fiscal year 2023-24		\$0
Percentage provincial benefits increase in fiscal year 2023-24		0%
Projected increase in the cost of living in fiscal year 2023-24		3.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2023-24		\$24.82/mo. or 3.7%
Federal tax credits:		
GST	\$25.50	\$27.08
TOTAL INCOME:	\$696.42/mo. or	\$698.00/mo. or
	\$8,357.04/p.a.	\$8,376.00/p.a.
 <u>Poverty Line Reality Check</u>		
Official Poverty Line threshold (Halifax)	\$26,404/p.a.	\$27,631/p.a.
Total Income minus Poverty Line (‘poverty gap’)	-\$18,047/p.a.	-\$19,255/p.a.
Total Income as % of Canada’s Official Poverty Line	31.7%	30.3%

Single adult with disabilities (owning or renting)

	<u>2022-23 (Monthly)</u>	<u>2023-24 (Monthly)</u>
Provincial Benefits		
Standard Household Rate	\$950	\$950
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit:	\$41.67	\$41.67
Total	\$1,012.92	\$1,012.92

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

Provincial benefits increase in fiscal year 2023-24	\$0
Percentage provincial benefits increase in fiscal year 2023-24	0%
Projected increase in the cost of living in fiscal year 2023-24	3.7%
<u>Real (inflation-adjusted) <u>decrease</u> for fiscal year 2023-24</u>	\$37.48/mo. or 3.7%

Federal tax credits:

GST	\$27.97	\$29.77
TOTAL INCOME:	\$1,040.89/mo. or \$1,042.69/mo., or	
	\$12,490.68/p.a.	\$12,512.28/p.a.

Poverty Line Reality Check

Poverty Line threshold (Halifax) ³	\$26,404/p.a.	\$27,631/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$13,913.32/p.a.	-\$15,118.72/p.a.
Total Income as % of Canada's Official Poverty Line	47.3%	45.3%

³ Statistics Canada readily acknowledges that its Official Poverty Line fails to take into account *any* disability-related costs experienced by persons with a disability. Accordingly, the Official Poverty Line for a person with a disability is in all likelihood considerably higher than the figure cited.

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

	<u>2022-23 (Monthly)</u>	<u>2023-24 (Monthly)</u>
Provincial Benefits		
Standard Household Rate:	\$962	\$962
NS Child Benefit:	\$106.25	\$127.08
Affordable Living Tax Credit: $(\$21.25 + \$ 5.00) = \26.25	$(\$21.25 + \$ 5.00) = \26.25	$(\$21.25 + \$ 5.00) = \26.25
Total	\$1,094.50	\$1,115.33

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

Provincial benefits increase in fiscal year 2023-24	\$20.83
Percentage provincial benefits increase in fiscal year 2023-24	1.9%
Projected increase in the cost of living in fiscal year 2023-24	3.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2023-24	\$19.70/mo. or 1.8%

Federal tax credits:

GST	\$64.42	\$68.42
Canada Child Benefit	\$583.08	\$619.75
TOTAL INCOME:	\$1,742.00/mo. or	\$1,803.50/mo. or
	\$20,904.00/p.a.	\$21,642.00/p.a.

Poverty Line Reality Check

Poverty Line threshold (Halifax)	\$36,966/p.a.	\$38,683/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$16,062/p.a.	-\$17,041/p.a.
Total Income as % of Canada's Official Poverty Line	56.5%	55.9%

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

	<u>2022-23 (Monthly)</u>	<u>2023-24 (Monthly)</u>
Provincial Benefits		
Standard Household Rate:	\$1,393	\$1,393
NS Child Benefit: (\$106.25 x 2) =	\$212.50	(\$127.08 x 2) = \$254.16
Affordable Living Tax Credit: (\$21.25 + \$ 5.00 x 2) = \$31.25		(\$21.25 + \$ 5.00 x 2)= \$31.25
Total	\$1,636.75	\$1,678.41

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

Provincial benefits increase in fiscal year 2023-24	\$41.66
Percentage provincial benefits increase in fiscal year 2023-24	2.5%
Projected increase in the cost of living in fiscal year 2023-24	3.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2023-24	\$19.64/mo. or 1.2%

Federal tax credits:

GST	\$77.83	\$82.67
Canada Child Benefit	\$983.83	\$1,045.83
TOTAL INCOME:	\$2,698.41/mo. or	\$2,806.91/mo. or
	\$33,380.92/p.a.	\$33,682.92p.a.
Poverty Line threshold (Halifax)	\$52,808/p.a.	\$55,261/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$20,427.08/p.a.	-\$21,578.08/p.a.
Total Income as % of Canada's Official Poverty Line	61.3%	61.0%

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 compliance with its human rights obligation to provide an adequate income. The Province’s decision to effectively lower the standard of living for those in receipt of assistance violates their basic human rights.

Adequacy of Social Assistance Incomes in Nova Scotia (March 2023)

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
Total Income	\$8,376	\$9,312	\$12,512	\$21,642	\$33,683
Official Poverty Line Threshold (Halifax)⁴	\$27,631	\$27,631	\$27,631*	\$38,683	\$55,261
Total Income Minus OPL Threshold	-\$19,255	-\$18,319	-\$15,119	-\$17,041	-\$21,578
Total Income as % of OPL (Last year’s figure in brackets)	30.3% (31.7)	33.7% (35.2)	45.3% (47.3)	55.9% (56.5)	61.0% (61.3)

*Statistics Canada readily acknowledges that its Official Poverty Line fails to take into account *any* disability-related living expenses 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 below 45%.

⁴ For Official Poverty Line calculations, see footnote #2 above.