

## Appendix

## Treading Water: The Impact of High METRs on Working Families in Canada

**Table A-1: Selection of Main Family-related Tax and Benefit Provisions, Provincial and Federal Governments, Most Recent Year Available**

Tax Provision or Benefit Program	Impact on METR
<b>Federal</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Children's fitness and arts amounts	Increases the level of income at which statutory taxes kick in.
Amount for children born in 1995 or later	Increases the level of income at which statutory taxes kick in.
Canada Child Tax Benefit – Base Benefits	On family net income ranging from \$43,561 to \$115,211, increases METR by 2% for single-child families and by 4% for multi-children families (the upper bound of the income range increases by \$38,325 per child starting from the 3rd child in a family).
Canada Child Tax Benefit – Supplement	On family net income ranging from \$25,356 to \$43,561, increases METR by 12% for single-child families, by 23% for two-child families, and by 33% for families with three children or more (the upper bound of the income range increases by \$5,613 per child starting from the 4th child in a family).
Universal Child Care Benefit	No direct effect on METRs since payment amounts do not affect income-tested benefits, although payments are taxable in the hands of the lower income spouse.
Working Income Tax Benefit	Reduces METR by 25% on family earnings ranging from \$3,000 to \$10,048. Then increases METR by 15% from \$15,509 to \$27,489 of family income. Note that contributions to METR and threshold levels will vary for Quebec, Alberta, British Columbia, and Nunavut since these jurisdictions have signed reconfiguration agreements.
<b>Newfoundland</b>	
Low-income tax reduction	Increases METR by 16% for family income ranging from \$28,161 to \$33,692.
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Newfoundland Child Benefit	For family income ranging from \$17,937 to \$24,183, it increases METRs by 5% if one child, by 11% if two children, 17% if 3 children, and 23% if four children.
Mother-Baby Nutrition Supplement	\$810 for the first year of a newborn's life if family income is lower than \$24,398. Large effect on METRs at the threshold level.
Progressive Family Growth Benefit	Lump sum of \$1,000 for every birth or adoption. No impact on METRs.
Parental Support Benefit	Payment of \$100 per month for each child under the age of one. No effect on METRs.

**Table A-1: CONTINUED**

Tax Provision or Benefit Program	Impact on METR
<b>Prince Edward Island</b>	
Low-Income Tax Reduction	For a typical family of four, it increases METR by 5% for family income ranging from \$15,000 to \$33,000.
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Amount for young children	Increases the level of income for the lowest-income spouse (by \$1,200 per children under 6) at which statutory taxes kick in.
<b>New Brunswick</b>	
Low-Income Tax Reduction	Increases METR by 3% for family income ranging from about \$15,500 to \$52,500.
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
New Brunswick Child Benefits	Increase METR by 2.5% for single-child families, and by 5% for multi-children families, generally on incomes ranging from \$20,000 to \$30,000.
Supplemental Earned Income Benefits	METR is lowered by 4% on family income ranging from \$3,750 to \$10,000, and then increased by 5% on income ranging from \$20,921 to \$25,921.
<b>Nova Scotia</b>	
Low-Income Tax Reduction	For a typical family of four, it increases METR by 5% for family income ranging from \$15,000 to \$33,600.
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Amount for young children	Increases the level of income for the lowest-income spouse (by \$1,200 per children under 6) at which statutory taxes kick in.
Sport and recreational expenses for children	Increases the level of income at which statutory taxes kick in by up to \$500 per child.
Nova Scotia Child Benefit	For family income ranging from \$18,000 to \$25,000, it increases METRs by 9% if one child, by 21% if two children, 34% if 3 children, and 46% if four children.

Table A-1: CONTINUED

Tax Provision or Benefit Program	Impact on METR
<b>Quebec</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Quebec Child Assistance Credit	Increases METR by 4% for family income above \$46,251, up to a threshold dependent on the number of children.
Quebec Solidarity Tax Credit	Increases METR by 6% for a typical family of four on income ranging from \$31,625 to \$54,542.
Quebec Work Premium	Reduces METR by 25% on family earnings ranging from \$3,600 to \$15,472. Then increases METR by 10% from \$15,472 to \$45,152 of family income.
<b>Ontario</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Children's activity tax credit	Increases the level of income at which statutory taxes kick in.
Ontario Child Benefit	For a typical family of four, it increases METR by 8% for family income ranging from \$20,000 to \$50,250.
Ontario Trillium Benefit	Increases METR by up to 6% for family income above \$26,290 up to income levels depending on the number of children and eligible accommodation costs.
<b>Manitoba</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Children's fitness or arts amounts	Increases the level of income at which statutory taxes kick in.
Manitoba Child Benefit	For family income ranging from \$15,000 to \$20,435, it increases METRs by 7.7% if one child, by 15.5% if two children, 23.2% if 3 children.
Manitoba Family Tax Benefit	Increases METR by 0.97% for those with tax payable on a wide range of incomes depending on children, ages, income of spouse, and disability.
Manitoba Cost of Living Tax Credit	Increases METR by 1% for family income up to \$43,200 for a typical family of four.

Table A-1: CONTINUED

Tax Provision or Benefit Program	Impact on METR
<b>Saskatchewan</b>	
Amount for dependent children	Increases the level of income at which statutory taxes kick in.
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Active families benefit	Increases the level of income at which statutory taxes kick in.
Saskatchewan Low Income Tax Credit	Increases METR by 2% for a typical family of four on income ranging from \$30,465 to \$62,665.
<b>Alberta</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Alberta Family Employment Tax Credit	Increases METR by 4% for a typical family of four on income ranging from \$34,897 to \$69,022.
<b>British Columbia</b>	
Spouse or common-law partner amount	Increases the level of taxpayer's income at which statutory taxes kick in, for taxpayers whose spouses have taxable income below the personal amount.
Children's fitness or arts amounts	Increases the level of income at which statutory taxes kick in.
BC Sales Tax Credit	Increases METR by 2% for family income ranging from \$18,000 to \$25,500.
BC Earned Income Benefit	On family income above \$21,480: if one child it increases METR by 6% up to income of \$43,680, if two children it increases METR by 19% up to income of \$35,500, and if three children it increases METR by 7.6% up to income of \$70,059.
BC Family Bonus	Increases METR by 9% for single-child family and by 18% for multi-children families on income ranging from \$20,500 to \$24,863.

Note: The “%” sign refers to percentage points.

Sources: Various online references and Statistics Canada's Social Policy Simulation Model (SPSM).