**Average and Marginal Effective Tax Rates   
for Low-iNcome Disabled Persons**

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# 

# Introduction

This document provides estimates of the marginal effective tax rates – the sum of all taxes, transfers and benefit reductions[[1]](#footnote-1) on an incremental dollar earned – and average effective tax rates – the sum of all taxes, transfers and benefit reductions divided by earned income – for low-income disabled persons in each province for the 2015 tax year. The following assumptions are made:

* The individual is either enrolled in a provincial income assistance program for disabled persons (hereafter, a program) or, if such a program does not exist, in a social assistance program available to all persons.
* The individual is single and has no dependents.
* The individual earns the minimum wage that existed in his/her province in 2015.[[2]](#footnote-2)
* The individual works 48 weeks a year.
* The maximum monthly transfer is the sum of transfer payments made to the individual as part of the program to cover frequent expenses, such as housing, food, clothing and utilities.[[3]](#footnote-3)
* Where transportation costs are covered by the program, it is assumed that individuals spend $75 per month on a bus pass.

The paper contains one section for each province. In each section, the first table describes the program in which the individual is assumed to be enrolled. It details the maximum monthly transfer that an individual enrolled in the program receives, as well as the rate at which the transfer is reduced as the individual earns income.

The first table also indicates the eligibility requirements that an individual must meet to be enrolled in the program; these requirements differ across programs, and some have more stringent requirements than others. For example, Manitoba’s program requires an individual to have a disability that will last more than 90 days, and the disability must inhibit the individual’s ability to earn enough money to support himself/herself and his/her family. In British Columbia’s program, it is expected that the disability will continue for at least two years, and that – to perform daily living activities – the individual will require the assistance of another person, an assistive device or an assistive animal. Nova Scotia’s program requires the individual to have significant difficulty in functioning in two or more aspects of daily living, including bathing, dressing, grooming and eating.

More stringent eligibility requirements mean that fewer people will be able to access benefits. For example, someone with clinical depression may be able to access benefits in Manitoba, but not in British Columbia or Nova Scotia. Furthermore, the disincentive effects that could be caused by higher marginal effective tax rates may be smaller in the case of programs with more stringent eligibility conditions because participants in these programs may face greater barriers to participating in the labour force even in the absence of high marginal effective tax rates. For example, an individual who has significant difficulty functioning in two or more aspects of daily living – as defined, for instance, by Nova Scotia’s program – may face greater labour force barriers than a person with milder forms of depression.

The second table in each section presents the calculation of disposable income – or income after all taxes and transfers – for an individual who works 9, 20 or 40 hours per week. The third table shows the average effective tax rates – calculated as gross income minus disposable income divided by gross income – and the marginal effective tax rate for the three examples of weekly hours of work. This table also lists the components of the marginal effective tax rate.

Finally, each section ends with a graph that illustrates the marginal effective tax rate faced by an individual who works between 9 and 40 hours per week.

# Limitations

The maximum monthly transfer for each program is calculated as the sum of transfers to cover the cost of food, housing and other recurring expenses, like utilities, household supplies and entertainment. Other possible transfers are not included in the calculation. For example, some programs also offer transfers to cover the cost of infrequent expenses, such as the purchase of furniture, or of items that would likely vary significantly from person to person and would be difficult to calculate. For example, most programs offer transfers to cover medical costs, including expenses related to a person’s disability. These costs were not included in any calculations in this paper; they would likely vary from person to person, and it would be difficult to calculate an average cost.

Because some possible transfers were not included in the calculations, the transfers to certain individuals with a given level of income are likely to be higher than those presented in the tables. As a result, an individual would have to work more hours before his/her transfer is fully reduced; therefore, the marginal effective tax rates are likely to be higher for some weekly work hours.

Furthermore, the estimated marginal and average effective tax rates are not comparable across provinces because the provinces’ eligibility requirements for the programs are not identical.

# Alberta

Table 1.1 – Alberta’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Assured Income for the Severely Handicapped |
| **Participant eligibility:** | The participant must have a severe handicap that substantially limits his/her ability to earn a living. As well, his/her disability must be the main factor limiting his/her ability to earn a living. Other factors, such as age or level of education, are not considered in determining eligibility. Furthermore, the participant’s disability must be permanent. Finally, there must be no training, rehabilitation or medical treatment that would help the participant to be able to work enough to earn a livelihood. |
| **Maximum monthly transfer:** | $1,588.00 |
| **Monthly benefit reduction rate:** | 50% on monthly income above $800.00, but lower than $1,500.00; 100% on monthly income equal to and above $1,500.00 |

Note: The maximum monthly transfer is a set rate, and is the same for all individuals who are eligible for the program.

Sources: Government of Alberta, [*AISH Tipsheet: Eligibility*](http://www.humanservices.alberta.ca/documents/aish-tipsheet-eligibility.pdf), February 2014; and   
Government of Alberta, [*AISH Tipsheet: Employment Income*](http://www.humanservices.alberta.ca/documents/aish-tipsheet-employment-income.pdf), February 2014.

Table 1.2 – Alberta-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Assured Income for the Severely Handicapped Program,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $20,064.00 | $10,032.00 | $4,514.40 |
| ***less* Payroll taxes** | **$1,197.12** | **$511.94** | **$135.08** |
| Gross federal tax (15.0%) | $3,009.60 | $1,504.80 | $677.16 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,235.37  $1,699.05  $171.90  $1,184.85  $179.57 | $3,132.59  $1,699.05  $171.90  $1,184.85  $76.79 | $3,076.06  $1,699.05  $171.90  $1,184.85  $20.26 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$297.68** | **$276.00** |
| Gross provincial tax (10.0%) | $2,006.40 | $1,003.20 | $451.44 |
| Provincial non-refundable tax credits | $3,346.11 | $3,277.59 | $3,239.91 |
| ***less* Net provincial tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$350.88** |
| ***plus* Working Income Tax Disability Supplement** | **$418.00** | **$508.00** | **$508.00** |
| ***plus* Assured Income for the Severely Handicapped** | **$13,989.12** | **$19,056.00** | **$19,056.00** |
| **Disposable income** | **$33,695.00** | **$30,490.74** | **$24,570.20** |

Notes: From January 2015 to September 2015, Alberta’s hourly minimum wage rate was $10.20. On 1 October 2015, it increased to $11.20. For the purpose of calculating gross income, a weighted average of these hourly minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 1.3 – Alberta-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-68.0%** | **-204.0%** | **-444.0%** |
| **Marginal Effective Tax Rate** | **115.0%** | **4.8%** | **-13.2%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 0.0% | 0.0% | 0.0% |
| Assured Income for the Severely Handicapped | 93.2% | 0.0% | 0.0% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 1 – Alberta-Resident Single Person with a Disability Who Has No Children:   
Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# British Columbia

Table 2.1 – British Columbia’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Disability Assistance |
| **Participant eligibility:** | The participant must have a severe physical or mental impairment that is expected to continue for more than two years. As well, he/she must be significantly restricted in the ability to perform daily-living activities and require assistance with such activities from another person, an assistive device or an assistive animal. |
| **Maximum monthly transfer:** | $983.42 |
| **Monthly benefit reduction rate:** | 100% on annual income above $9,600.00, which is the equivalent of $800.00 per month |

Note: The maximum monthly transfer is the sum of the support rate of $556.40, the maximum shelter rate of $375.00 and the transportation support rate of $52.00.

Source: [*Employment and Assistance for Persons with Disabilities Regulation*](http://www.bclaws.ca/civix/document/id/complete/statreg/265_2002), B.C. Reg. 265/2002.

Table 2.2 – British Columbia-Resident Single Person with a Disability Who Has No Children: Employment Earnings, Various Taxes and Benefits, and the   
Disability Assistance Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $19,776.00 | $9,888.00 | $4,449.60 |
| ***less* Payroll taxes** | **$1,177.45** | **$502.10** | **$130.66** |
| Gross federal tax (15.0%) | $2,966.40 | $1,483.20 | $667.44 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,232.42  $1,699.05  $171.90  $1,184.85  $176.62 | $3,131.12  $1,699.05  $171.90  $1,184.85  $75.32 | $3,075.40  $1,699.05  $171.90  $1,184.85  $19.60 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$294.80** | **$276.00** |
| Gross provincial tax (5.06%) | $1,000.67 | $500.33 | $225.15 |
| Provincial non-refundable tax credits | $939.61 | $905.44 | $886.65 |
| ***less* Net provincial tax** | **$61.05** | **$0.00** | **$0.00** |
| ***plus* BC Low Income Climate Action Tax Credit** | **$115.50** | **$115.50** | **$115.50** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$337.92** |
| ***plus* Working Income Tax Disability Supplement** | **$461.20** | **$508.00** | **$508.00** |
| ***plus* Disability Assistance** | **$2,863.54** | **$11,801.04** | **$11,801.04** |
| **Disposable income** | **$22,398.74** | **$23,214.24** | **$17,357.40** |

Notes: From January 2015 to September 2015, British Columbia’s hourly minimum wage rate was $10.25. On 15 September 2015, it increased to $10.45. For the purpose of calculating gross income, a weighted average of these hourly minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 2.3 – British Columbia-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-13.0%** | **-135.0%** | **-290.0%** |
| **Marginal Effective Tax Rate** | **115.0%** | **4.8%** | **-13.2%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 4.7% | 0.0% | 0.0% |
| Disability Assistance | 88.5% | 0.0% | 0.0% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| B.C. Low Income Climate Action Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 2 – British Columbia-Resident Single Person with a Disability Who Has No Children: Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Manitoba

Table 3.1 – Manitoba’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Income Assistance for Persons with Disabilities |
| **Participant eligibility:** | The participant must have a mental or physical disability that is likely to last more than 90 days. As well, his/her disability must keep him/her from earning enough money to pay for his/her family’s basic needs. |
| **Maximum monthly transfer:** | $1,055.30 |
| **Monthly benefit reduction rate:** | 70% on monthly income above $200.00 |

Note: The maximum monthly transfer is the sum of the basic allowance of $274.80, an allowance for rent, including all utilities, of $533.00, an additional amount of $48.00 for being under the age of 65, the disability amount of $112.80, a work clothing allowance of $23.90 and an amount of $75 per month for the cost of a bus pass.

Source: [*The Manitoba Assistance Act Assistance Regulation*](http://web2.gov.mb.ca/laws/regs/current/_pdf-regs.php?reg=404/88%20R), 404/88 R.

Table 3.2 – Manitoba-Resident Single Person with a Disability Who Has No Children:   
Employment Earnings, Various Taxes and Benefits, and the Income Assistance for Persons   
with Disabilities Program, by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $20,688.00 | $10,344.00 | $4,654.80 |
| ***less* Payroll taxes** | **$1,239.74** | **$533.25** | **$144.67** |
| Gross federal tax (15.0%) | $3,103.20 | $1,551.60 | $698.22 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,241.76  $1,699.05  $171.90  $1,184.85  $185.96 | $3,135.79  $1,699.05  $171.90  $1,184.85  $79.99 | $3,077.50  $1,699.05  $171.90  $1,184.85  $21.70 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$303.92** | **$276.00** |
| Gross provincial tax (10.8%) | $2,234.30 | $1,117.15 | $502.72 |
| Provincial non-refundable tax credits | $1,787.80 | $1,711.50 | $1,669.54 |
| ***less* Net provincial tax** | **$446.50** | **$0.00** | **$0.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$378.96** |
| ***plus* Working Income Tax Disability Supplement** | **$324.40** | **$508.00** | **$508.00** |
| ***plus* Income Assistance for Persons with Disabilities** | **$1,342.37** | **$7,776.07** | **$11,486.51** |
| **Disposable income** | **$21,089.53** | **$19,507.75** | **$17,159.60** |

Notes: From January 2015 to September 2015, Manitoba’s minimum wage rate was $10.70. On 1 October 2015, it increased to $11.00. Therefore, for the purpose of calculating gross income, a weighted average of these two minimum wage rates is used, where the former minimum wage rate is weighted three times as highly as the latter.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 3.3 – Manitoba-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Scenario** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-1.9%** | **-88.6%** | **-268.6%** |
| **Marginal Effective Tax Rate** | **90.1%** | **70.0%** | **52.0%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 10.1% | 0.0% | 0.0% |
| Disability Assistance | 58.2% | 65.2% | 65.2% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 3 – Manitoba-Resident Single Person with a Disability Who Has No Children:   
Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# New Brunswick

Table 4.1 – New Brunswick’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Social Assistance – Extended Benefits |
| **Participant eligibility:** | The participant must be blind, deaf or certified by the Medical Advisory Board as suffering from a major physiological, anatomical or psychological impairment. As well, his/her disability must severely limit him/her in normal living activities. Finally, the participant’s activity must be likely to continue indefinitely without substantial improvement; (i.e., the participant must be totally and permanently disabled). |
| **Maximum monthly transfer:** | $663.00 |
| **Monthly benefit reduction rate:** | 70% on monthly income above $500.00 |

Note: The maximum monthly transfer is the level of assistance for a single person with no dependents.

Source: Government of New Brunswick, [*Regulation 95-61 under the Family Income Security Act*](http://laws.gnb.ca/en/showfulldoc/cr/95-61/20160829), June 2016.

Table 4.2 – New Brunswick-Resident Single Person with a Disability Who Has No Children: Employment Earnings, Various Taxes and Benefits, and the Social Assistance –   
Extended Benefits Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $19,776.00 | $9,888.00 | $4,449.60 |
| ***less* Payroll taxes** | **$1,177.45** | **$502.10** | **$130.66** |
| Gross federal tax (15.0%) | $2,966.40 | $1,483.20 | $667.44 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,232.42  $1,699.05  $171.90  $1,184.85  $176.62 | $3,131.12  $1,699.05  $171.90  $1,184.85  $75.32 | $3,075.40  $1,699.05  $171.90  $1,184.85  $19.60 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$294.80** | **$276.00** |
| Gross provincial tax (9.68%) | $1,914.32 | $957.16 | $430.72 |
| Provincial non-refundable tax credits | $2,314.39 | $2,360.02 | $2,324.07 |
| ***less* Net provincial tax** | **$489.97** | **$0.00** | **$0.00** |
| ***plus*****New Brunswick Harmonized Sales Tax Credit** | **$300.00** | **$300.00** | **$300.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$337.92** |
| ***plus* Working Income Tax Disability Supplement** | **$461.20** | **$508.00** | **$508.00** |
| ***plus* Social Assistance** | **$0.00** | **$5,585.87** | **$7,956.00** |
| **Disposable income** | **$19,780.75** | **$17,183.57** | **$13,696.86** |

Notes: Gross income is calculated assuming that the hourly minimum wage rate is $10.30, as it was in 2015; as of April 2016, the rate has increased to $10.65.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 4.3 – New Brunswick-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **0.0%** | **-73.8%** | **-207.8%** |
| **Marginal Effective Tax Rate** | **21.8%** | **70.0%** | **-13.2%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 0.0% | 0.0% | 0.0% |
| Disability Assistance | 0.0% | 65.2% | 0.0% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| New Brunswick Harmonized Sales Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 4 – New Brunswick-Resident Single Person with a Disability Who Has No Children: Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Newfoundland and Labrador

Table 5.1 – Newfoundland and Labrador’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Income Support |
| **Participant eligibility:** | The Income Support program is available to persons regardless of their disability status. |
| **Maximum monthly transfer:** | $758.00 |
| **Monthly benefit reduction rate:** | 80% on monthly income above $75.00 |

Notes: The Government of Newfoundland and Labrador does not have a specific income assistance program for disabled persons.

The maximum monthly transfer is the sum of the maximum monthly amount for an adult renting or owning a residence of $534.00, the maximum monthly income support for rent or mortgage of $149.00, and an amount of $75 per month for the cost of a bus pass.

Source: [*Income and Employment Support Regulations under the Income and Employment Support Act*](http://www.assembly.nl.ca/Legislation/sr/Regulations/rc040144.htm), Regulation 144/04.

Table 5.2 – Newfoundland and Labrador-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Income Support Program, by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $19,800.00 | $9,900.00 | $4,455.00 |
| ***less* Payroll taxes** | **$1,179.09** | **$502.92** | **$131.03** |
| Gross federal tax (15.0%) | $2,970.00 | $1,485.00 | $668.25 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,232.66  $1,699.05  $171.90  $1,184.85  $176.86 | $3,131.24  $1,699.05  $171.90  $1,184.85  $75.44 | $3,075.45  $1,699.05  $171.90  $1,184.85  $19.65 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$295.04** | **$276.00** |
| Gross provincial tax (7.7%) | $1,524.60 | $762.30 | $343.04 |
| Provincial non-refundable tax credits | $1,784.10 | $1,867.24 | $1,838.60 |
| ***less* Net provincial tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus*****Newfoundland and Labrador Income Supplement** | **$440.80** | **$220.00** | **$220.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$339.00** |
| ***plus* Working Income Tax Disability Supplement** | **$457.60** | **$508.00** | **$508.00** |
| ***plus* Income Support Program** | **$0.00** | **$2,298.34** | **$6,356.82** |
| **Disposable income** | **$19,940.31** | **$13,827.46** | **$12,023.79** |

Notes: From January 2015 to September 2015, Newfoundland and Labrador’s hourly minimum wage rate was $10.25. On 1 October 2015, it increased to $10.50. For the purpose of calculating gross income, a weighted average of these hourly minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 5.3 – Newfoundland and Labrador-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amount, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-0.7%** | **-39.7%** | **-169.9%** |
| **Marginal Effective Tax Rate** | **17.2%** | **79.4%** | **61.4%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 0.0% | 0.0% | 0.0% |
| Disability Assistance | 0.0% | 74.5% | 74.5% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| Newfoundland and Labrador Income Supplement | -4.6% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 5 – Newfoundland and Labrador-Resident Single Person with a Disability   
Who Has No Children: Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Nova Scotia

Table 6.1 – Nova Scotia’s Income Assistance Program for Disabled Persons

|  |  |  |
| --- | --- | --- |
| **Name:** | Disability Support Program | |
| **Participant eligibility:** | The participant must have an intellectual disability, physical disability and/or a long-term mental illness, any of which creates significant difficulties in functioning in two or more aspects of daily living or instrumental activities of daily living. The activities of daily living are defined as “[a] person’s basic, routine personal care activities that are essential to their self-care. This includes activities such as bathing and dressing, toileting and grooming, and eating.” |
| **Maximum monthly transfer:** | $992.00 | |
| **Monthly benefit reduction rate:** | 70% on monthly income above $300.00 | |

Note: The maximum monthly transfer is the transfer that a participant would receive if he/she was part of the Disability Support Program’s Independent Living option and received the personal allowance of $255.00, the shelter allowance of $535.00, the clothing allowance of $12, the comfort allowance of $115.00 and an amount of $75 per month for the cost of a bus pass. The Disability Support Program’s Independent Living option also includes up to 21 hours a week of supports and services; their value is not included in this calculation.

Source: Nova Scotia Department of Community Services, [*Disability Support Program – Program Policy*](http://novascotia.ca/coms/disabilities/documents/SPD_Public_Policy.pdf), June 2012.

Table 6.2 – Nova Scotia-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Disability Support Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $20,256.00 | $10,128.00 | $4,557.60 |
| ***less* Payroll taxes** | **$1,210.23** | **$518.49** | **$138.03** |
| Gross federal tax (15.0%) | $3,038.40 | $1,519.20 | $683.64 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,237.54  $1,699.05  $171.90  $1,184.85  $181.54 | $3,133.57  $1,699.05  $171.90  $1,184.85  $77.77 | $3,076.51  $1,699.05  $171.90  $1,184.85  $20.71 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$299.60** | **$276.00** |
| Gross provincial tax (8.79%) | $1,780.50 | $890.25 | $400.61 |
| Provincial non-refundable tax credits | $1,534.33 | $1,736.33 | $1,702.89 |
| ***less* Net provincial tax** | **$246.17** | **$0.00** | **$0.00** |
| ***plus*****Nova Scotia Affordable Living Tax Credit** | **$255.00** | **$255.00** | **$255.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$359.52** |
| ***plus* Working Income Tax Disability Supplement** | **$389.20** | **$508.00** | **$508.00** |
| ***plus* Disability Support Program** | **$1,264.28** | **$7,697.34** | **$11,330.30** |
| **Disposable income** | **$21,129.08** | **$19,478.45** | **$17,148.39** |

Notes: From January 2015 to March 2015, Nova Scotia’s hourly minimum wage rate was $10.40. On 1 April 2015, it increased to $10.60. For the purpose of calculating gross income, a weighted average of these two minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 6.3 – Nova Scotia-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-3.9%** | **-91.6%** | **-274.7%** |
| **Marginal Effective Tax Rate** | **91.0%** | **70.0%** | **52.0%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 13.2% | 0.0% | 0.0% |
| Disability Assistance | 56.0% | 65.2% | 65.2% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| New Brunswick Harmonized Sales Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 6 – Nova Scotia-Resident Single Person with a Disability Who Has No Children:   
Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Ontario

Table 7.1 – Ontario’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Ontario Disability Support Program |
| **Participant eligibility:** | The participant must have a disability. The definition of persons with disabilities comprises three elements:  “(a) the person has a substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more;  (b) the direct and cumulative effect of the impairment on the person’s ability to attend to his or her personal care, function in the community and function in a workplace, results in a substantial restriction in one or more of these activities of daily living; and  (c) the impairment and its likely duration and the restriction in the person’s activities of daily living have been verified by a person with the prescribed qualifications.” |
| **Maximum monthly transfer:** | $1,110.00 |
| **Monthly benefit reduction rate:** | 50% on monthly income above $200.00 |

Note: The maximum monthly transfer includes $631.00 for basic needs and $479.00 for shelter.

Sources: Government of Ontario, [*Ontario Disability Support Program Act*](https://www.ontario.ca/laws/statute/97o25b#BK4)*,* 1997; and   
[*General, Ontario Regulation 222/98*](https://www.ontario.ca/laws/regulation/980222).

Table 7.2 – Ontario-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Ontario Disability Support Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $21,600.00 | $10,800.00 | $4,860.00 |
| ***less* Payroll taxes** | **$1,302.03** | **$564.39** | **$158.69** |
| Gross federal tax (15.0%) | $3,240.00 | $1,620.00 | $729.00 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,251.10  $1,699.05  $171.90  $1,184.85  $195.30 | $3,140.46  $1,699.05  $171.90  $1,184.85  $84.66 | $3,079.60  $1,699.05  $171.90  $1,184.85  $23.80 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$313.04** | **$276.00** |
| Gross provincial tax (5.05%) | $1,090.80 | $545.40 | $245.43 |
| Provincial non-refundable tax credits | $1,695.08 | $1,657.83 | $1,637.35 |
| ***less* Net provincial tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus*****Ontario Trillium Benefit** | **$518.16** | **$518.16** | **$518.16** |
| ***less* Ontario Health Premium** | **$96.00** | **$0.00** | **$0.00** |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$420.00** |
| ***plus* Working Income Tax Disability Supplement** | **$187.60** | **$508.00** | **$508.00** |
| ***plus* Disability Support Program** | **$4,371.02** | **$9,402.20** | **$12,169.34** |
| **Disposable income** | **$25,699.75** | **$22,086.01** | **$18,592.82** |

Notes: Gross income is calculated assuming that the hourly minimum wage is $11.25.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 7.3 – Ontario-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-19.4%** | **-104.5%** | **-282.6%** |
| **Marginal Effective Tax Rate** | **74.4%** | **51.4%** | **33.4%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 0.0% | 0.0% | 0.0% |
| Disability Assistance | 46.6% | 46.6% | 46.6% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| Ontario Trillium Benefit | 0.0% | 0.0% | 0.0% |
| Ontario Health Premium | 6.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 7 – Ontario-Resident Single Person with a Disability Who Has No Children:   
Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Prince Edward Island

Table 8.1 – Prince Edward Island’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Social Assistance |
| **Participant eligibility:** | The Social Assistance program is available to persons regardless of their disability status. |
| **Maximum monthly transfer:** | $594.00 |
| **Monthly benefit reduction rate:** | 90% on monthly income above $75.00 |

Notes: The Government of Prince Edward Island does not provide an income assistance program for disabled persons. It has a Disability Supports program (DSP); however, the program “is not intended to provide a living allowance, for which other programs exist, or to duplicate existing funding sources. The financial component of DSP pertains only to disability-related costs.” See: Government of Prince Edward Island, [*Disability Supports Program Policy Manual*](http://www.gov.pe.ca/sss/index.php3?number=1048986&lang=E)*.*

The maximum monthly transfer is the sum of the shelter allowance of $346.00, the monthly supplies allowance of $15.00, the personal requirements allowance of $19.00, the clothing allowance of $24.00 and the food allowance of $190.00.

Source: Government of Prince Edward Island,[*Social Assistance Policy Manual*](http://www.gov.pe.ca/sss/index.php3?number=1048987&lang=E)*.*

Table 8.2 – Prince Edward Island-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Social Assistance Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $20,016.00 | $10,008.00 | $4,503.60 |
| ***less* Payroll taxes** | **$1,193.84** | **$510.30** | **$134.35** |
| Gross federal tax (15.0%) | $3,002.40 | $1,501.20 | $675.54 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,234.88  $1,699.05  $171.90  $1,184.85  $179.08 | $3,132.24  $1,699.05  $171.90  $1,184.85  $76.54 | $3,075.95  $1,699.05  $171.90  $1,184.85  $20.15 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$297.20** | **$276.00** |
| Gross provincial tax (9.8%) | $1,961.57 | $980.78 | $441.35 |
| Provincial non-refundable tax credits | $1,696.80 | $1,780.61 | $1,743.77 |
| ***less* Net provincial tax** | **$264.77** | **$0.00** | **$0.00** |
| ***plus*****Prince Edward Island Sales Tax Credit** | $110.00 | $110.00 | $110.00 |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$348.72** |
| ***plus* Working Income Tax Disability Supplement** | **$425.20** | **$508.00** | **$508.00** |
| ***plus* Disability Support Program** | **$0.00** | **$0.00** | **$4,005.67** |
| **Disposable income** | **$19,403.59** | **$11,411.90** | **$9,507.65** |

Notes: From January 2015 to May 2015, Prince Edward Island’s hourly minimum wage rate was $10.35. On 1 June 2015, it increased to $10.50. For the purpose of calculating gross income, an average of these two minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 8.3 – Prince Edward Island-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,  
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **3.1%** | **-14.0%** | **-111.1%** |
| **Marginal Effective Tax Rate** | **36.0%** | **4.8%** | **70.7%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 14.1% | 0.0% | 0.0% |
| Disability Assistance | 0.0% | 0.0% | 83.9% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| Prince Edward Island Sales Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 8 – Prince Edward Island-Resident Single Person with a Disability Who Has No Children: Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Quebec

Table 9.1 – Quebec’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Social Solidarity Program |
| **Participant eligibility:** | The participant must produce “a medical report establishing that [his/her] physical or mental condition is significantly and in all likelihood permanently or indefinitely deficient or impaired and that, for that reason and in view of [his/her] socio-professional profile, [his/her] capacity for employment is severely limited.” |
| **Maximum monthly transfer:** | $972.08 |
| **Monthly benefit reduction rate:** | 100% on monthly income above $100.00 |

Note: The maximum monthly transfer is the sum of the social solidarity allowance granted to an independent adult of $947.00 and an additional benefit for an independent person living alone of $25.08.

Sources: [*Individual and Family Assistance Act*](http://legisquebec.gouv.qc.ca/en/showdoc/cs/A-13.1.1?langCont=en)*,* A-13.1.1; and [*Individual and Family Assistance Regulation*](http://legisquebec.gouv.qc.ca/en/showdoc/cr/A-13.1.1,%20r.%201?langCont=en),A-13.1.1, r. 1.

Table 9.2 – Quebec-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Social Solidarity Program, by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $20,128.00 | $10,064.00 | $4,528.80 |
| ***less* Payroll taxes** | **$1,291.43** | **$553.84** | **$148.17** |
| Gross federal tax (15.0%) | $3,019.20 | $1,509.60 | $679.32 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,232.64  $1,699.05  $171.90  $1,184.85  $176.84 | $3,130.44  $1,699.05  $171.90  $1,184.85  $74.64 | $3,074.23  $1,699.05  $171.90  $1,184.85  $18.43 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$298.32** | **$276.00** |
| Gross provincial tax (16.0%) | $3,220.48 | $1,610.24 | $724.61 |
| Provincial non-refundable tax credits | $2,804.00 | $2,804.00 | $2,804.00 |
| ***less* Net provincial tax** | **$416.48** | **$0.00** | **$0.00** |
| ***plus*****Solidarity Tax Credit** | $950.00 | $950.00 | $950.00 |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,571.12** | **$436.40** |
| ***plus* Working Income Tax Disability Supplement** | **$513.15** | **$524.34** | **$524.34** |
| ***plus* Disability Support Program** | **$0.00** | **$3,354.80** | **$8,484.33** |
| **Disposable income** | **$20,304.24** | **$16,208.74** | **$15,051.70** |

Notes: From January 2015 to April 2015, Quebec’s hourly minimum wage rate was $10.35. On 1 May 2015, it increased to $10.55. For the purpose of calculating gross income, a weighted average of these two minimum wage rates is used.

In the case of Quebec, payroll taxes are the sum of Quebec Pension Plan, Employment Insurance program and Quebec Parental Insurance Plan contributions made by the employee.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Author’s calculations using Canada Revenue Agency tax forms and schedules.

Table 9.3 – Quebec-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-0.9%** | **-61.1%** | **-232.4%** |
| **Marginal Effective Tax Rate** | **43.3%** | **77.5%** | **79.5%** |
| Payroll taxes | 7.3% | 7.3% | 7.3% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 16.0% | 0.0% | 0.0% |
| Disability Assistance | 0.0% | 92.7% | 92.7% |
| Working Income Tax Benefit | 0.0% | -20.5% | -20.5% |
| Working Income Tax Disability Supplement | 20.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| Solidarity Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 9 – Quebec-Resident Single Person with a Disability Who Has No Children:   
Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

# Saskatchewan

Table 10.1 – Saskatchewan’s Income Assistance Program for Disabled Persons

|  |  |
| --- | --- |
| **Name:** | Saskatchewan Assured Income for Disability |
| **Participant eligibility:** | The participant must be assessed as having a significant and enduring disability that is long standing or permanent in nature, either continuously or periodically for extended periods. As well, the participant must have a disability that greatly impacts his/her daily living activities, and causes him/her to require support in the form of an assistive device, the assistance of another person, the assistance of a service animal, a modified environment or other accommodation. |
| **Maximum monthly transfer:** | $1,401.00 |
| **Monthly benefit reduction rate:** | 75% on monthly income between $200.00 and $700.00; and 100% on monthly income equal to or above $700.00 |

Note: The maximum monthly transfer is the sum of the Tier A Living Income Benefit of $1,064.00, the maximum monthly allowances for utilities of $257.00, the laundry allowance of $10.00 and the Disability Income Benefit of $70.00.

Sources: Government of Saskatchewan, [*The Saskatchewan Assured Income for Disability (SAID) Program Handbook*](http://publications.gov.sk.ca/documents/17/84699-SAID-Handbook.pdf)*,* September 2015; and [*Saskatchewan Assured Income for Disability Rates (SAID)*](http://publications.gov.sk.ca/documents/17/76951-Saskatchewan-Assurance-Income-for-Disability-Rates.pdf), June 2015.

Table 10.2 – Saskatchewan-Resident Single Person with a Disability   
Who Has No Children: Employment Earnings, Various Taxes and Benefits,   
and the Saskatchewan Assured Income for Disability Program,   
by Three Employment Income Amounts, 2015

| **Type of Income or Tax Measure** | **Employment Income Amount** | | |
| --- | --- | --- | --- |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| Gross income (i.e., earnings) | $19,728.00 | $9,864.00 | $4,438.80 |
| ***less* Payroll taxes** | **$1,174.17** | **$500.46** | **$129.92** |
| Gross federal tax (15.0%) | $2,959.20 | $1,479.60 | $665.82 |
| Federal non-refundable tax credits,  *of which:*  Basic amount  Employment amount  Disability tax credit  CPP/EI tax credit | $3,231.93  $1,699.05  $171.90  $1,184.85  $176.13 | $3,130.87  $1,699.05  $171.90  $1,184.85  $75.07 | $3,075.29  $1,699.05  $171.90  $1,184.85  $19.49 |
| ***less* Net federal tax** | **$0.00** | **$0.00** | **$0.00** |
| ***plus* Federal GST/HST tax credit** | **$421.00** | **$294.32** | **$276.00** |
| Gross provincial tax (11.0%) | $2,170.08 | $1,085.04 | $488.27 |
| Provincial non-refundable tax credits | $2,602.72 | $2,535.35 | $2,498.29 |
| ***less* Net provincial tax** | **$264.77** | **$0.00** | **$0.00** |
| ***plus*****Saskatchewan Low Income Tax Credit** | $246.00 | $246.00 | $246.00 |
| ***plus* Working Income Tax Benefit** | **$0.00** | **$1,109.00** | **$335.76** |
| ***plus* Working Income Tax Disability Supplement** | **$468.40** | **$508.00** | **$508.00** |
| ***plus* Disability Support Program** | **$2,158.17** | **$11,348.46** | **$15,380.34** |
| **Disposable income** | **$21,601.40** | **$22,623.32** | **$20,808.98** |

Notes: From January 2015 to September 2015, Prince Edward Island’s hourly minimum wage rate was $10.20. On 1 October 2015, it increased to $10.50. For the purpose of calculating gross income, a weighted average of these two minimum wage rates is used.

“CPP” is the Canada Pension Plan, “EI” is the Employment Insurance program, “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Table 10.3 – Saskatchewan-Resident Single Person with a Disability   
Who Has No Children: Average and Marginal Effective Tax Rates,   
by Three Employment Income Amounts, 2015

|  |  |  |  |
| --- | --- | --- | --- |
| **Tax Rates** | **Employment Income Amount** | | |
| **40 hours  of work  per week** | **20 hours  of work  per week** | **9 hours  of work  per week** |
| **Average Effective Tax Rate  [Disposable Income – Gross Income]/Gross Income** | **-9.5%** | **-129.4%** | **-368.8%** |
| **Marginal Effective Tax Rate** | **115.0%** | **98.0%** | **56.7%** |
| Payroll taxes | 6.8% | 6.8% | 6.8% |
| Federal taxes | 0.0% | 0.0% | 0.0% |
| Provincial taxes | 0.0% | 0.0% | 0.0% |
| Disability Assistance | 93.2% | 93.2% | 69.9% |
| Working Income Tax Benefit | 0.0% | 0.0% | -20.0% |
| Working Income Tax Disability Supplement | 15.0% | 0.0% | 0.0% |
| Federal GST/HST tax credit | 0.0% | -2.0% | 0.0% |
| Saskatchewan Low Income Tax Credit | 0.0% | 0.0% | 0.0% |

Note: “GST” is the federal Goods and Services Tax and “HST” is the Harmonized Sales Tax.

Source: Authors’ calculations using Canada Revenue Agency tax forms and schedules.

Figure 10 – Saskatchewan-Resident Single Person with a Disability Who Has No Children: Marginal Effective Tax Rates, by Weekly Hours Worked, 2015

Source: Author’s calculations using Canada Revenue Agency tax forms and schedules.

1. Benefit reductions are sometimes referred to as “clawbacks.” [↑](#footnote-ref-1)
2. In cases where the hourly minimum wage changed in 2015, a weighted average of the two minimum wages is calculated. For example, the minimum wage in Alberta increased from $10.20 to $11.20 on 1 October 2015. Therefore, for three quarters of the year, workers earning the minimum wage received $10.20 per hour; for one quarter of the year, they received $11.20. The weighted average minimum wage is calculated as 0.75 multiplied by $10.20 plus 0.25 multiplied by $11.20, which is equal to $10.45. [↑](#footnote-ref-2)
3. See the “Limitations” section for greater details. [↑](#footnote-ref-3)