



END CHILD AND FAMILY POVERTY IN CANADA

## **Seizing Opportunities to Reduce Child and Family Poverty** **May 5<sup>th</sup>, 2015**

Campaign 2000: End Child and Family Poverty, a cross-Canada coalition of more than 120 diverse organizations, is pleased to see that progressive policy proposals for families are back on the national agenda with several new federal-level policies aimed at low, modest and middle-income families. Both the Liberals and the NDP have vowed to reverse the Conservatives' income-splitting proposal and the proposed enhancement of the maximum annual contribution to the Tax Free Savings Account, approaches that favour affluent families and do nothing for low and modest-income families who struggle to put healthy food on the table and pay the rent. These redistributive measures will help to restore progressivity to the tax system which Campaign 2000 has called for as part of the way to address poverty and inequality.

Campaign 2000 has long proposed that Canada's system of child tax benefits and transfers be improved through an enriched benefit amount, the streamlining of benefits and greater progressivity so that benefits are targeted to those families in low and modest income. A more generous benefit amount that is truly progressively delivered recognizes the costs of raising children for most families in Canada.

Recently, NDP leader Tom Mulcair announced that his party would end a tax benefit that allows those receiving stock options to pay tax on only 50% of the value and would direct that additional revenue to enhancing the National Child Benefit Supplement and the Working Income Tax Benefit. This is a promising pathway to enhancing income supports for families with children and working people.

The Liberal Party of Canada's new proposal also relies heavily on re-tooling the tax system to make it fairer for low, modest and middle-income families. The new Liberal approach appears to be moving child tax benefits in the right direction by improving the incomes of low and modest-income families with children in a progressive manner. Those families with the lowest income will receive the highest child benefit and the amount will gradually decrease as individual family incomes increase. Campaign 2000 expects that all low and modest-income families will get the full impact of the proposed maximum of \$6,400 annual benefit, regardless of their source of income.

The NDP's child tax benefit proposal moves toward more progressive taxation by removing a tax expenditure available only to high income earners. The Liberal proposal also moves toward progressivity by adding a new tax bracket for the highest income earners. At this time, no major party's proposals relieve the taxation burden of Canadian families living in poverty.

With proposals targeting families announced by the Conservatives, NDP and now the Liberals, child and family poverty and income security have clearly become a major issue for the upcoming election. Campaign 2000 will review proposals from all parties as they release more details and will provide our timely analysis.

We look forward to working with all parties towards strong policies that support low-income children and families in Canada and contribute to poverty eradication.