

**Briefing Note to the Law Amendments Committee on what the NS Budget (2024-25)
actually provides for people receiving Social Assistance**

The NS Provincial Budget (February 29, 2024) 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 basic payment for people in need. It is payable regardless of *actual* rent/mortgage paid by the recipient. The amount of the SHR is determined by family size, accommodation type and personal circumstances (e.g., whether one has a disability, is fleeing abuse or is over age 55). The current rates are found [here](#). This year's Budget contains an increase of \$300/mo. in monthly rates but the increase is *only* for single persons with a disability who own or rent their accommodation.
- 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/p.a. 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. There is **no** increase announced in this year's Budget.

Over the next few pages are some illustrations of the impact of the Province's 2024-2025 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>2023-2024 (Monthly)</u>	<u>2024-25 (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 2024-25		\$0
Percentage provincial benefits increase in fiscal year 2024-25		0%
Projected increase in the cost of living in fiscal year 2024-25 ¹		2.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2024-25		\$20.22/mo. or 2.7%
Federal tax credits:		
GST	\$25.50	\$28.33
Canada Carbon Rebate		\$34.33
TOTAL INCOME:	\$776.00/mo. or	\$811.58/mo. or
	\$9,312.00/p.a.	\$9,738.96/p.a.
<u>Poverty Line Reality Check</u>		
Official Poverty Line (Halifax)	\$27,631/p.a.	\$28,003/p.a. ²
Total Income minus Poverty Line ('poverty gap')	-\$18,319.00	-\$18,264.04
Total Income as % of Canada's Official Poverty Line	33.7%	34.8%

¹ Nova Scotia: *Budget 2024-25* (February 29, 2024), Table 7.3 at page 60 indicates a forecast increase in the cost of living during 2024 of 2.7%.

² The Official Poverty Line ('Market Basket Measure') figures used here are calculated based on the recently released Statistics Canada Market Basket Measure (MBM) thresholds for Halifax for the year 2022 (StatsCan Table 11-10-0066-01, rel. Nov. 2023), using 2023 average CPI for Nova Scotia (avg. NS CPI 2023 = 160.5), rel. February 2024), together with the 2024 NS Budget CPI inflation forecast for 2024 (see note 1 above).

Single adult (Boarding)

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

	<u>2023-24 (Monthly)</u>	<u>2024-25 (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 2024-25		\$0
Percentage provincial benefits increase in fiscal year 2024-25		0%
Projected increase in the cost of living in fiscal year 2024-25		2.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2024-25		\$18.11/mo. or 2.7%
Federal tax credits:		
GST	\$25.50	\$28.33
Canada Carbon Rebate		\$34.33
 TOTAL INCOME:	 \$698.00/mo. or	 \$733.58/mo. or
	\$8,376.00/p.a.	\$8,802.96/p.a.
 <u>Poverty Line Reality Check</u>		
Official Poverty Line threshold (Halifax)	\$27,631/p.a.	\$28,003/p.a.
Total Income minus Poverty Line ('poverty gap')	-19,255/p.a.	-\$19,200/p.a.
Total Income as % of Canada's Official Poverty Line	30.3%	31.4%

Single adult with disabilities (owning or renting)

(Note: This group is by far the largest category of Income Assistance recipients.)

	<u>2023-24 (Monthly)</u>	<u>2024-25 (Monthly)</u>
Provincial Benefits		
Standard Household Rate	\$950	\$1,250
Affordable Living Tax Credit	\$21.25	\$21.25
Poverty Reduction Credit:	\$41.67	\$41.67
Total	\$1,012.92	\$1,312.92

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

Provincial benefits increase in fiscal year 2024-25	\$300
Percentage provincial benefits increase in fiscal year 2024-25	29.6%
Projected increase in the cost of living in fiscal year 2024-25	2.7%
<u>Real (inflation-adjusted) increase</u> for fiscal year 2024-25	\$291.90/mo. or 28.8%

Federal tax credits:

GST	\$27.97	\$28.93
Canada Carbon Rebate		\$34.33
TOTAL INCOME:	\$1,042.69/mo. or	\$1,376.18/mo., or
	\$12,512.28/p.a.	\$16,514.16/p.a.

Poverty Line Reality Check

Poverty Line threshold (Halifax) ³	\$27,631/p.a.	\$28,003/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$15,118.72/p.a.	-\$11,488.84/p.a.
Total Income as % of Canada's Official Poverty Line	45.3%	59.0%

³ Statistics Canada readily acknowledges that its Official Poverty Line fails to take into account *any* disability-related living 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 figures cited.

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

	<u>2023-24 (Monthly)</u>	<u>2024-25 (Monthly)</u>
Provincial Benefits		
Standard Household Rate:	\$962	\$962
NS Child Benefit:	\$127.08	\$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	\$1,115.33	\$1,115.33

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

Provincial benefits increase in fiscal year 2024-25	\$0
Percentage provincial benefits increase in fiscal year 2024-25	0%
Projected increase in the cost of living in fiscal year 2024-25	2.7%
<u>Real (inflation-adjusted) decrease for fiscal year 2024-25</u>	\$30.11/mo. or 2.7%

Federal tax credits:

GST	\$64.42	\$71.58
Canada Child Benefit	\$583.08	\$648.91
Canada Carbon Rebate		\$51.50

TOTAL INCOME:	\$1,803.50/mo. or	\$1,887.32/mo. or
	\$21,642.00/p.a.	\$22,647.84/p.a.

Poverty Line Reality Check

Poverty Line threshold (Halifax)	\$36,966/p.a.	\$39,204/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$16,062/p.a.	-\$16,556/p.a.
Total Income as % of Canada's Official Poverty Line	55.9%	57.8%

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

	<u>2023-24 (Monthly)</u>	<u>2024-25 (Monthly)</u>
Provincial Benefits		
Standard Household Rate:	\$1,393	\$1,393
NS Child Benefit: (\$127.08 x 2) =	\$254.16	(\$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	\$1,678.41	\$1,678.41

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

Provincial benefits increase in fiscal year 2024-25	\$0
Percentage provincial benefits increase in fiscal year 2024-25	0%
Projected increase in the cost of living in fiscal year 2024-25	2.7%
<u>Real (inflation-adjusted) decrease</u> for fiscal year 2024-25	\$45.32/mo. or 2.7%

Federal tax credits:

GST	\$77.83	\$86.50
Canada Child Benefit	\$983.83	\$1,095.00
Canada Carbon Rebate		\$68.67
TOTAL INCOME:	\$2,806.91/mo. or	\$2,928.58/mo. or
	\$33,682.92/p.a.	\$35,142.96p.a.
Poverty Line threshold (Halifax)	\$52,808/p.a.	\$56,005/p.a.
Total Income minus Poverty Line ('poverty gap')	-\$21,578.08/p.a.	-\$20,862.04/p.a.
Total Income as % of Canada's Official Poverty Line	61.0%	62.7%

Adequacy of Social Assistance Incomes in Nova Scotia (2024-25)

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	\$8,803	\$9,739	\$16,514	\$22,648	\$35,143
Official Poverty Line ('OPL') Threshold (Halifax)⁴	\$28,003	\$28,003	\$28,003*	\$39,204	\$56,005
Total Income Minus OPL Threshold (‘poverty gap’)	-\$19,200	-\$18,264	-\$11,489	-\$16,556	-\$20,862
Total Income as % of OPL (Last year’s figure in brackets)	31.4% (30.3)	34.8% (33.7)	59.0% (45.3)	57.8% (55.9)	62.7% (61.0)

*Statistics Canada readily acknowledges that its Official Poverty Line fails to take into account *any* disability-related living costs experienced by persons with a disability. Accordingly, the ‘Total Income as a percentage of the OPL’ for a person with a disability is in all likelihood actually below 59%.

Observations

Social Assistance & Human Rights

Almost 50 years ago, Canada—and Nova Scotia—agreed to be bound by the UN International Covenant on Economic, Social and Cultural Rights, under which our governments pledged to protect everyone’s ‘right to an adequate standard of living’. 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 UN Committee on Economic, Social and Cultural Rights urged 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 year’s analysis make clear just how far Nova Scotia must go to ensure that social assistance recipients have an income sufficient to realize their fundamental human right to an adequate standard of living.

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

Under the Covenant, Nova Scotia has a legal obligation under international human rights law to ensure that these rights are protected. With the exception of persons with disabilities, in all other individual and family scenarios analysed, this year's Provincial Budget failed to improve the standard of living for recipients. Given the context of ongoing inflationary pressures, this represents a clear step *backward* in the Province's compliance with its human rights obligation to provide an adequate income to those in need.

Since rates were last increased for the non-disabled poor in May 2021, StatsCan data shows that overall inflation in Nova Scotia has increased by over **13%**, with food alone by **21%** and shelter costs having increased over **19%** (all to January 2024). The failure to increase rates at all (again, except for people with disabilities) means that the Provincial Cabinet has effectively chosen to significantly *increase* food and housing insecurity. In the face of inflation spikes over the past three years, with this Budget, Cabinet has chosen to make life worse for those most disadvantaged among us.

The *Financial Measures Act (2024)* has been careful to index Income Tax brackets in order to ensure that taxpayers do not experience a reduction in their standard of living due to the erosive effects of inflation. While this is all for the better, it is completely scandalous for there to have been no indexation for the poorest of the poor—apart from persons with disabilities—for single parents, for families with children—for the **third** year in a row.

The Human Right to an Adequate Standard of Living

Of course, all of this is over and above what are already shamefully low rates to begin with, e.g., less than 35% of Canada's official poverty line for non-disabled single people, or about 58% for a single parent with a child—what StatsCan calls “deep poverty”.

For example, for those who don't rent or own their accommodation (often, un-housed people) are entitled to only \$380/month. That is hundreds of dollars less than is required for food alone—especially for people without access to a fridge or stove.

The setting of social assistance rates are *not* objectively linked to *any* objective assessment of need or adequacy. However, rate-setting also impacts people's fundamental human rights.

By deliberately allowing the standard of living for non-disabled people living in poverty to sink even lower, the Province is violating its human rights obligations.

These shameful social assistance rates implicate not just the ‘politicians’ but, more broadly, us as a society.

It needn't be this way—it was never this bad historically and it isn't this scandalously bad in other places!

Recommendations for an amendment to Bill 419, the *Financial Measures Act (2024)*:

1. Section 21(1) of the *Employment Support and Income Assistance*, Chapter 27 of the Acts of 2000 is amended by inserting:

By adding immediately after subclause 21(u) the following subclause:

“(v) Notwithstanding any other provisions of this Act, within three years of the coming into force of the *Financial Measures Act (2024)*, all basic needs rates of assistance shall be adjusted so as to ensure that the recipient, and any dependents, shall have a total income sufficient to meet or exceed Canada’s Official Poverty Line.

(w) Further to subclause (v), as soon as the rates of basic needs assistance have been increased sufficiently to provide recipients, and any dependents, a total income to sufficient to meet or exceed Canada’s Official Poverty Line, the Governor in Council shall review semi-annually all rates and allowances provided under this Act and shall increase those rates and allowances by adjustment to the nearest dollar in accordance with any increase in the Consumer Price Index for Nova Scotia.”