

Election Proposal Costing

Refundable Canada caregiver credit

April 22, 2025

Making the Canada caregiver credit refundable effective April 1, 2025, and indexed to inflation thereafter.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	135	132	127	123	126	641

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The Social Policy Simulation Database and Model (SPSD/M) was used to estimate the basic cost of the proposed change in the Canada caregiver credit.¹ The cost estimate takes into consideration the gradual lowering of the first tax rate to 12.75 per cent between 2026 and 2028.

Sources of Uncertainty

The main sources of uncertainty relate to the projected number of claims and how the claimed amounts are optimized within SPSP/M. Although behavioral responses are not accounted for, they are not expected to have a significant impact.

Data Sources

Change in Federal taxes less transfers

SPSD/M 30.3 (Glass box)

Consumer price index (CPI)

PBO EPC baseline

1. This analysis is based, in part, on Statistics Canada's Social Policy Simulation Database and Model (SPSD/M). The assumptions and calculations underlying the SPSP/M simulation results were prepared by the Office of the Parliamentary Budget Officer (PBO) and the responsibility for the use and interpretation of these data is entirely that of the PBO.