



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

# Cost Estimate of Election Campaign Proposal

Publication Date:	September 2021						
Short Title:	Broadening eligibility for the Disability Tax Credit						
Description:	Reducing the number of weekly hours of life-sustaining therapy required for the Disability Tax Credit from 14 to 10 hours. This proposal will be implemented for the 2022 tax year.						
Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost	9	39	41	43	45	177
Notes:	<ul style="list-style-type: none"><li>· Estimates are presented on an accrual basis as would appear in the budget and public accounts.</li><li>· A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).</li><li>· "-" = PBO does not expect a financial cost.</li></ul>						
Estimation and projection method:	The number of persons gaining eligibility was estimated based on time-use survey data. The estimate included costs arising from the Disability Tax Credit, Disability Savings Grants/Bonds, Registered Disability Savings Plans, and the Canada Workers Benefit Disability Supplement. Average costs for new claimants were assumed to be equal to average costs for existing claimants. Costs were projected based on trends in administrative data.						
Source of Uncertainty:	The main source of uncertainty relates to the number of persons gaining eligibility.						
Data Sources:	Variable	Source					
	Time spent on life-sustaining therapy	Statistics Canada, General Social Survey					
	Disability Tax Credit Tax costs	ESDC, Disability Tax Credit Statistics					
	Canada Workers Benefit Disability Supplement costs	Statistics Canada, SPSD/M <sup>1</sup>					
	Disability Savings Grants/Bonds costs	ESDC, Canada Disability Savings Program Annual Statistical Review					
	Registered Disability Savings Plan costs	FIN, Report on Federal Tax Expenditures					

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<sup>1</sup> This analysis is based on Statistics Canada's Social Policy Simulation Database and Model (SPSD/M). The assumptions and calculations underlying the SPSD/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.