



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

# Cost Estimate of Election Campaign Proposal

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Short Title: Enhancing the Canada Workers Benefit

Description: The maximum payment under the Canada Workers Benefit (CWB) will be increased to \$2,800 for individuals and to \$5,000 for workers with families. The reduction rate will increase to 15% for individuals and families and the disability enhancement will be doubled from \$744 to \$1,500. The proposal will be effective on January 1, 2022.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Total cost		1,388	5,570	5,638	5,696	5,780	24,072

Notes:

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- 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).
- "-" = PBO does not expect a financial cost.

Estimation and projection method: This estimate was based on federal tax microdata from 2018 and projected forward based on the labour market profile under the EPC baseline. The estimate does not include a behavioural response.

Source of Uncertainty: The main sources of uncertainty relate to the labour market projection under the EPC baseline and the evolution of the income distribution, as well as the magnitude of a behavioural response.

Data Sources:	Variable	Source
	Tax data	Government of Canada
	Labour market data	PBO EPC baseline