

Legislative Costing Note

Publication Date:	2021-11-30	
Short Title:	Canada Recovery Caregiver Benefit (CRCB) – 28 Week Extension	
Description:	<p>As proposed by Bill C-2, the Government announced the extension of the eligibility of the Canada Recovery Caregiver Benefit (CRCB) by an additional 28 weeks as well as an additional two weeks to the maximum benefit period bringing it to a total of 44 weeks.¹ The increase in the maximum number of benefit periods would begin after the week of November 20th, 2021.</p> <p>The CRCB provides a \$500 weekly taxable benefit per household for workers who miss at least 50% of their normal time at work during a week to care for someone for reasons related to COVID-19.</p> <p>Eligible workers must have earned at least \$5,000 in any of 2019, 2020, 2021 or the span of 12 months before they apply for the CRCB. They are ineligible for the CRCB if they are receiving certain other benefits (for example, the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, Employment Insurance). This program, after the extension, sunsets on May 7, 2022.</p>	
Data Sources:	<p>Variable CRCB applications, weeks 1-56</p> <p>CRCB detailed application data (including demographic and income data)</p>	<p>Source Canada Revenue Agency (CRA) publicly available data, accessed November 22, 2021 CRA Information Request IR0563²</p>
Estimation and Projection Method:	Using available CRCB data on the number of applicants per week, the PBO projected the number of weekly applications following the start of the extension. The extension is assumed to take effect on October 24, 2021. ³ A marginal federal income tax rate, informed by the 2019 income data of applicants, was used to predict the amount of CRSB payments recovered through personal income tax.	
Aggregate Results:	PBO estimates the cost to extend the eligibility period of benefits by an additional 28 weeks, including increasing the number of maximum benefit period by 2 weeks, under the CRCB program, to be \$366.6 million.	

¹ <https://www.canada.ca/en/departement-finance/news/2021/10/government-announces-targeted-covid-19-support-measures-to-create-jobs-and-growth.html> Accessed on November 1, 2021.

² https://www.pbo-dpb.gc.ca/web/default/files/Documents/Info%20Requests/2020/IR0563_CRA_COVID-19_Benefits_reply_e.pdf

³ Due to the possibility of applying retroactively to the CRCB, we assume there are no breaks in the periods of eligibility after November 20, 2021.

Sources of Uncertainty: The estimates rely on the CRCB applications so far. The relationship between applications and COVID-19 cases may change in the future. Cost estimates are subject to uncertainties linked to the COVID-19 pandemic. The cost of further extending the program is sensitive to how the program is administered.

Prepared by: Louis Perrault <Louis.Perrault@parl.gc.ca>

Cost of proposed extension

\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Net cost of extension	335.4	31.2	-	-	-
Gross cost	342	31.8	-	-	-
PIT recovery	-6.6	-0.6	-	-	-

Supplementary information

	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Gross cost of Oct. 24, 2021 to Nov. 20, 2021	94.8	-	-	-	-
Gross cost of Nov. 21, 2021 to May 7, 2022	247.2	31.8	-	-	-
Total gross cost	342	31.8	-	-	-

Notes

- Estimates are presented on an accruals basis as would appear in the budget and public accounts.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
- "-" = PBO does not expect a financial cost.

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