

## Election Proposal Costing

# Guaranteed liveable income in Prince Edward Island

April 25, 2025

Introducing a guaranteed liveable income (GLI) in Prince Edward Island, effective January 1, 2026.

### Cost of Proposed Measure

| Fiscal year                      | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 | Total |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-------|
| <b>Total cost</b><br>\$ millions | 65        | 260       | 262       | 265       | 268       | 1,119 |

### 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 proposed measure will ensure that participants receive up to 85% of the market basket measure (MBM) in Prince Edward Island. The GLI amount will be reduced at a rate of \$0.50 for every additional dollar of an economic family's net income. Moreover, individuals with a disability would receive an additional annual amount of \$7,655, indexed for inflation.

SPSD/M was used to estimate the gross cost of the proposed GLI in Prince Edward Island.<sup>1</sup>

### Sources of Uncertainty

The main sources of uncertainty relate to the income distribution assumptions in SPSP/M. Behavioural responses are expected but are not included in the estimated cost. This is because such responses depend on how the measure is financed and administered, and all of the sources of funding, such as which benefits and tax credits would be replaced by the GLI, have not been determined. A separate costing indicates the potential offsetting benefits and tax credits that could partially finance a GLI.

### Data Sources

#### GLI costs

SPSD/M 30.3

#### Projected CPI

## PBO EPC baseline

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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 SPSPD/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.

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