

Personal Support Workers Tax Credit



Published on December 2, 2025

Budget 2025 proposes a temporary refundable Personal Support Workers (PSWs) Tax Credit for taxation years 2026 to 2030. Eligible PSWs employed by qualifying health care establishments can claim 5 per cent of eligible earnings, up to a non-indexed maximum of \$1,100.

PBO estimates this measure will cost \$1.37 billion over 2025-26 to 2029-30.

5-Year Cost

\$ millions

Fiscal year	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Total cost	77	310	318	326	334	1,365

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.
- PSWs employed in British Columbia, Newfoundland and Labrador, and the Northwest Territories are ineligible due to existing bilateral agreements.

Estimation and Projection Method

Estimates of the number of personal support workers and their employment income were derived from Labour Force Survey tabulations disaggregated by National Occupational Classifications (NOC), regions, and income levels. The number of PSWs was projected using NOC-specific growth rates from the Canadian Occupational Projection System forecast. Projected growth in employment income reflects the wage growth from PBO's September 2025 Economic and Fiscal Outlook.

Sources of Uncertainty

The main sources of uncertainty relate to the data and projection assumptions. Estimates of the number of PSWs are subject to uncertainty as available data prevent precise identification of eligible workers. In addition, employment income estimates are derived from self-reported surveys, which exclude information on secondary positions.

Behavioural responses, such as an increase in the number of PSWs following the introduction of the tax credit, were not considered.

Note prepared by

Nolan Petroff, Analyst

Prepared under the direction of

Louis Perrault, Director

Data Sources

Number of PSWs and employment income estimates

Labour Force Survey reports (January 2025 to October 2025)

Personal support workers growth rate projections

[Canadian Occupational Projection System - 2024 to 2033 projections](#)

Wage growth projections

[PBO Economic and Fiscal Outlook, September 2025](#)

© Office of the Parliamentary Budget Officer, Ottawa, Canada, 2025

T-LEG-4.0.0e

LEG-2526-003-S-e