

## Election Proposal Costing

# Non-refundable tax credit for nurses and personal support workers

April 19, 2025

Introducing a non-refundable tax credit for nurses and personal support workers (PSWs) of \$5,000 effective April 1, 2025 and indexed to inflation thereafter.

### Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
<b>Total cost</b> \$ millions	566	589	613	639	667	3,073

### 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 value of the claimed credit amount was calculated by applying the 15% non-refundable tax credit rate to the maximum amount of \$5,000. Total costs were then estimated by multiplying the number of nurses and personal care attendants by the credit amount used per worker by occupation category. The credit amount used was calculated by multiplying the claimed credit amount by an estimated utilization rate (that is, reduction in tax on taxable income from the credit relative to the claimed credit amount) based on SPSP/M data by sex, age and income.<sup>1</sup> Income and employment data from Statistics Canada were matched to the SPSP/M categories to better target the population. The projected number of nurses and personal support workers was taken from the Canadian Occupational Projection System (COPS). No behavioural responses were included.

### Sources of Uncertainty

The main sources of uncertainty relate to the COPS projection of the number of nurses and personal support workers and the estimated utilization rate is based on SPSP/M broad industry data. Although behavioral responses are not accounted for, they are not expected to have a significant impact.

### Data Sources

**Projected Employment**

Canadian Occupational Projection System (COPS)

**Historical Employment**

Health Workforce Database, Canadian Institute for Health Information

**Employee incomes and wages by occupation**

Statistics Canada. Tables [98-10-0412-01](#) and [14-10-0417-01](#)

**Ratio of the credit used to the amount claimed**

SPSDM 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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