



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

# Legislative Costing Note

This is an independent cost estimate of a budgetary measure contained in the federal government's Fall Economic Statement 2020 (FES 2020). A list of the PBO's cost estimates of components of the FES 2020 can be viewed on [its website](#).

Publication Date: 2021-01-14

Short Title: Financial support for families with children

Description: Increasing the Canada Child Benefit (CCB) in 2021 by \$1,200 for each child under the age of 6 for families with an adjusted net income at or below \$120,000 who are entitled to the CCB.

Increasing the Canada Child Benefit (CCB) in 2021 by \$600 for each child under the age of 6 for families with an adjusted net income above \$120,000 who are entitled to the CCB.

Increasing the Children's Special Allowance in 2021 by \$1,200 for each child under the age of 6 that is under the care of child protection services.

Data Sources:	Variable	Source
	Number of children maintained by federal or provincial agencies or institutions, 2009-10 to 2019-20	2020 Public Accounts
	Proportion of children under the age of 6 in foster care, 2011	Statistics Canada, 2011 Census
	2021 CCB benefit amount	SPSD/M v. 28.0, adjusted for benefit amounts and income thresholds announced on July 2020 for the 2020-21 program year, and PBO household income and CPI projections from the September Economic and Fiscal Outlook

Estimation and  
Projection Method:

## Children's Special Allowance

The number of children under the age of 6 eligible for the Children's Special Allowance in 2019-20 was determined by multiplying the total number of children maintained by federal or provincial agencies or institutions in 2019-20 by the proportion of children under the age of 6 that were in foster care in 2011.

To determine the number of children that would be eligible for the benefit in 2020-21 and 2021-22, the estimated number of eligible children in 2019-20 was grown by the average yearly growth in the number of children maintained by federal or provincial agencies or institutions over the last 5 years. These numbers were then multiplied by \$300 in 2020-21 and \$900 in 2021-22 to arrive at the total cost in those years.

## Canada Child Benefit

Statistics Canada's Policy Simulation Database (SPSD/M) was used to determine the number of children that would be eligible for the Canada Child Benefit in 2020-21 and 2021-22, based



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on benefit amounts, income thresholds, and estimated household income for the 2020-21 program year, and grown by PBO's projected CPI and household income in the September Economic and Fiscal Outlook.

Aggregate Results: The total cost of the measure is \$2.4 billion provided to 2.2 million recipients over two fiscal years.

Sources of Uncertainty: SPSPD/M is a simulated database and the resulting calculations may differ from actual payments. Additionally, the proportion of children under the age of 6 eligible for the Children's Special Allowance may differ than the one used. PBO does not expect a behavioural response to this announcement.

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## Cost of proposed measure

\$ millions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Total cost	589	1,767	-	-	-	-

## Supplementary information

\$ millions	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Children's Special Allowance	4	13	-	-	-	-
Canada Child Benefit	585	1,754	-	-	-	-
Total cost	589	1,767	-	-	-	-

## 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.