

Legislative Costing Note

Announcement date: 2020-08-20 (C-4)

Publication date: 2020-10-07

Short title: Canada Recovery Caregiver Benefit (CRCB)

Description: The proposed Canada Recovery Caregiver Benefit (CRCB) would provide a \$500 taxable benefit for up to 26 weeks per household for workers who miss at least 50% of their normal time at work during a week to care for someone for reasons due to COVID-19.

Reasons that a worker could claim the CRCB include caring for a child under 12 or another family member¹ 12 or over who cannot be left alone without supervision: whose school, childcare, or other type of care program is closed due to COVID-19; whose normal caregiver cannot provide care due to COVID-19; or who is staying home because they have an increased risk of severe health consequences if they become infected with COVID-19.

Eligible workers must have earned at least \$5,000 in any of 2019, 2020, or the span of 12 months before they apply for the CRCB and are ineligible for the CRCB if they are receiving certain other benefits (e.g. the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, EI benefits). This benefit would be available from September 27, 2020 to September 25, 2021.²

Data sources:	<u>Variable</u>	<u>Source</u>
	Various variables related to households and taxes	SPSD/M 28.0 ³
	COVID-19 cases by age	David N. Fisman, Professor, University of Toronto, Dalla Lana School of Public Health, Personal communication.
	Ontario and Quebec class sizes	Ontario Ministry of Education
	British Columbia class sizes	Global News

1. The definition of *family member* used in Bill C-4, which outlines the CRSB, is “anyone whom the person considers to be like a close relative or who considers the person to be like a close relative”.

2. <https://parl.ca/DocumentViewer/en/43-2/bill/C-4/third-reading> Retrieved October 1, 2020.

3. This analysis is based on Statistics Canada’s Social Policy Simulation Database and Model (SPSD/M). The assumptions and calculations underlying the SPSP/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.

	Rates of children with chronic conditions	Moran, Kathy, Maaten, S., Guttman, A., Northrup, J. C. (2009) ⁴
	COVID-19 cases in Canada	GoC COVID-19: Outbreak update
	Schools in Quebec with at least one COVID-19 case	COVID Écoles Québec
	Proportions of children in various types of childcare	Statistics Canada Tables 42-10-0004-01 and 42-10-0005-01
Estimation and projection method:	<p>PBO developed a model to predict which households would become eligible for the CRCB. Beneficiaries would be households in which a parent or independent adult must be absent from work to care for a child under 12 or family member 12 or over who must stay home due to COVID-19.</p> <p>Combining COVID-19 projections, data from Quebec school closures, class sizes from different provinces, and childcare information, the model estimated the monthly number of households affected by school or childcare closures for children. The number of households in which children would stay home from school or childcare for the whole eligibility period was based on information about children's underlying health conditions. Caregiver-related tax credit data was used to estimate the number of CRCB beneficiaries among households with family members 12 or over requiring care.</p> <p>Due to the CRCB being a taxable benefit, federal income tax rates were based on households who were expected to use the program.</p>	
Aggregate Results:	PBO estimates total net cost of this measure to be \$1.188 billion in 2020-21 and \$214 million in 2021-22.	
Source of Uncertainty:	<p>Due to limited data availability on care services for adults who need supervision, there is uncertainty about the usage of the CRCB amongst their caregivers.</p> <p>In addition, the estimates depend on the trajectory of the COVID-19 pandemic among children and variation in parents' choices about children's school and childcare attendance. Any significant increases in COVID-19 cases amongst children would result in much higher costs of the program.</p> <p>Furthermore, the estimates are sensitive to how the program is administered.</p>	
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4. Moran, Kathy, Maaten, S., Guttman, A., Northrup, J. C. (2009), Influenza vaccination rates in Ontario children: Implications for universal childhood vaccination policy, *Vaccine*; 27: 2350-5.

Cost of proposed measure

\$ millions	2020-2021	2021-2022
Gross cost	1,305	234
Personal income tax revenue	117	20
Net cost	1,188	214

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

Supplementary information

\$ millions	2020-2021	2021-2022
Net cost of CRCB by reasons caregivers would stay home from work		
<i>Children/family members under 18 staying home for medical reasons</i>		
0-5 years old	346	29
6-12 years old	595	50
12-17 years old	10	1
<i>Children/family members under 18 staying home due to themselves/a classmate/childcare mate/other care mate having COVID-19</i>		
0-5 years old	24	12
6-12 years old	177	88
12-17 years old	3	2
<i>Adult family members staying home</i>	33	33
Total	1,188	214